



# Journal of the Senate

State of Indiana

115th General Assembly

First Regular Session

Thirty-first Meeting Day

Thursday Afternoon

March 22, 2007

The Senate convened at 2:13 p.m., with the President Pro Tempore of the Senate, David C. Long, in the Chair.

Prayer was offered by Senator R. Michael Young.

The Pledge of Allegiance to the Flag was led by Senator Long.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Becker	Lubbers
Boots	Meeks
Bowser	Merritt
Bray	Miller
Breaux	Mishler
Broden	Mrvan
Deig	Nugent
Delph	Paul
Dillon	Riegsecker <input checked="" type="checkbox"/>
Drozda	Rogers
Errington	Simpson
Ford	Sipes
Gard	Skinner
Heinold	Smith
Hershman	Steele
Howard	Tallian
Hume	Walker
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 292: present 48; excused 1. [Note: A ☒ indicates those who were excused.] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

## REPORT OF THE PRESIDENT PRO TEMPORE

Madam President: I hereby report that due to the death of Senator Anita Bowser on March 4, 2007, a vacancy was created in Senate District 8. Pursuant to my direction, Senator Bowser's name will remain on the Roll of Senators until such time as the process to name her successor is complete and the new Senator has taken the oath of office.

LONG

Report adopted.

## RESOLUTIONS ON FIRST READING

### Senate Resolution 21

Senate Resolution 21, introduced by Senators Delph and Lubbers:

A SENATE RESOLUTION congratulating the Brebeuf Jesuit Preparatory School Girls Basketball Team on its victory in the 2007 IHSA Class 3A basketball championship.

*Whereas, The Brebeuf Jesuit Preparatory School Girls Basketball Team concluded their regular season and sectional schedules with a record of nineteen wins and six losses to advance into the Mount Vernon (Fortville) Regional. The Braves came on strong in post season competition to defeat Whiteland and Connersville;*

*Whereas, As a result of these victories, the Brebeuf Jesuit Braves won the right to compete in the Jeffersonville Semi-State competition. The Braves defeated Evansville Bosse by a score of 55-53 to earn the opportunity to play for the Class 3A Championship Title;*

*Whereas, In the championship game, the Braves were patient on offense as the six-foot-six Ta'Shia Phillips worked under the basket. The Wawasee Warriors labored to keep the ball away from Phillips. However, when she got the ball the Warriors found her nearly unstoppable;*

*Whereas, When the Warriors resorted to double-teaming Phillips in the second half, reserve forward Ivie Obeime stepped up and provided a fourth-quarter boost that lifted her team to a 51-43 victory; and*

*Whereas, This victory was the result of a great team effort and marked the second IHSA Class 3A State Championship in only four years for the Brebeuf Jesuit Braves and Head Coach Kendall Kreinhagen. We congratulate the Braves for winning the Class 3A State Championship and wish them continued success in the future: Therefore,*

*Be it resolved by the Senate of the  
General Assembly of the State of Indiana:*

SECTION 1. That the Indiana State Senate honors the Brebeuf Jesuit Preparatory School Girls Basketball Team for winning the 2007 IHSA Class 3A State Championship.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to President Matthew Hayes, Coach Kendall Kreinhagen and each member of the championship team.

The resolution was read in full and adopted by voice vote.

#### Senate Resolution 22

Senate Resolution 22, introduced by Senators Delph and Lubbers:

A SENATE RESOLUTION congratulating the Brebeuf Jesuit Girls Basketball Team Head Coach Kendall Kreinhagen on being named 2007 Coach of the Year.

*Whereas, Brebeuf Jesuit Girls Basketball Head Coach Kendall Kreinhagen led the Braves to the IHSAA Class 3A State Championship. Her impressive career includes 98 wins in 131 games;*

*Whereas, Coach Kreinhagen is a former varsity basketball letter winner at the University of Indianapolis, where she helped the Greyhounds to the 2000 Great Lakes Valley Conference Tournament finals;*

*Whereas, Coach Kreinhagen has also served as a mentor to many impressive student athletes, including several Indiana All-Stars and Indiana's 2007 Miss Basketball, Ta'Shia Phillips; and*

*Whereas, In addition to her contributions to basketball, Coach Kreinhagen is a fifth-grade teacher at Eastbrook Elementary School in Pike Township. Her dedication to her students and her players inspires us and is worthy of recognition: Therefore,*

*Be it resolved by the Senate of the  
General Assembly of the State of Indiana:*

SECTION 1. That the Indiana State Senate congratulates Head Coach Kendall Kreinhagen on being named 2007 Coach of the Year.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to President Matthew Hayes, Athletic Director Michael Marshall, and Head Coach Kendall Kreinhagen.

The resolution was read in full and adopted by voice vote.

#### Senate Resolution 23

Senate Resolution 23, introduced by Senators Delph and Lubbers:

A SENATE RESOLUTION congratulating Ta'Shia Phillips on being named Indiana Miss Basketball for 2007.

*Whereas, Ta'Shia Phillips' basketball experience began at age nine when her mother handed her a pair of shorts and sent her out on the court to play. Although she was the shortest player on her first Amateur Athletic Union team and showed little enthusiasm for the game initially, Ta'Shia grew to love the game and quickly developed into an outstanding player with a natural leadership ability;*

*Whereas, During her senior season, the six-foot-six center averaged 21.6 points, 15.0 rebounds and 3.2 blocks. She led the Brebeuf Jesuit Braves to the IHSAA Class 3A State Championship, scoring 59 of her team's 106 points in Semi-State and State Final competition;*

*Whereas, Receiving 72 of the 151 votes cast by high school basketball coaches and members of the media, Ta'Shia Phillips was named Indiana's 2007 Miss Basketball;*

*Whereas, Ta'Shia Phillips will wear the #1 jersey for the Indiana All-Stars in their annual series against the Kentucky All-Stars. She joins an elite group of Hoosier athletes to have been named Miss Basketball, including Brebeuf Alumna Vicki Hall; and*

*Whereas, Ta'Shia Phillips is undecided as to where she will attend college, but her dedication to excellence both in the classroom and on the basketball court will undoubtedly make her an outstanding student athlete wherever she decides to attend: Therefore,*

*Be it resolved by the Senate of the  
General Assembly of the State of Indiana:*

SECTION 1. That the Indiana State Senate honors Ta'Shia Phillips on being named Indiana Miss Basketball for 2007.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to President Matthew Hayes, Head Coach Kendall Kreinhagen, and Ta'Shia Phillips and her family.

The resolution was read in full and adopted by voice vote.

#### Senate Concurrent Resolution 70

Senate Concurrent Resolution 70, introduced by Senator Smith:

A CONCURRENT RESOLUTION honoring Reverend Dr. J.C. Wade, Jr. for his fifty years in the ministry.

*Whereas, Reverend Wade celebrated his fiftieth year in the ministry and is in his forty-second year as Pastor of the Zion Missionary Baptist Church of East Chicago, Indiana;*

*Whereas, Reverend Wade holds a master of Religious Education and Doctorates of Bible Theology and Divinity;*

*Whereas, Reverend Wade, through compassion and humble service, grew a congregation with modest beginnings to an important part of the community with multiple services, a Sunday school, a new church building, several choirs and community organizations;*

*Whereas, Reverend Wade's call to service and ministry is so compelling that, under his tenure, fifty pastors have been called into the gospel ministry;*

*Whereas, Reverend Wade served parishioners beyond his community as former President of the General Missionary Baptist*

*State Convention of Indiana, Inc. and State Vice President of the National Baptist Convention, U.S.A.;*

*Whereas, Reverend Wade has also been active in foreign ministry, preaching in Europe, African and the Middle East;*

*Whereas, Reverend Wade, in a typically selfless act, donated, through an allogeneic transplant, bone marrow to his brother, Reverend Melvin Von Wade Sr.; and*

*Whereas, Reverend Wade provides a fine example of dedication, fidelity and faith to those in his church and in his community: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

SECTION 1. The Indiana Senate hereby honors Reverend Dr. J.C. Wade for his fifty years in the ministry.

SECTION 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Reverend Dr. J.C. Wade, Jr., his wife Mrs. Ella Wade, and Mrs. Camellia P. Wade-McKinley.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsor: Representative E. Harris.

#### **Senate Concurrent Resolution 68**

Senate Concurrent Resolution 68, introduced by Senators Lubbers and Simpson:

A CONCURRENT RESOLUTION congratulating the Indiana Community Arts Leadership Award Recipients for 2007.

*Whereas, The Indiana Coalition for the Arts Foundation represents hundreds of individuals, nonprofit organizations, and arts-related businesses from all over the State of Indiana;*

*Whereas, The arts promote local economic activity through arts-related spending and cultural tourism. Indiana is home to 7,800 arts-related businesses that employ over 47,000 Hoosiers and generate over one billion dollars in local economic activity;*

*Whereas, The Indiana Community Arts Leadership Award honors individuals who, through their donations of time, resources or leadership, have been instrumental in creating, promoting, or developing local arts activities in their communities;*

*Whereas, This year's Community Arts Leadership Award recipients include: Outstanding Arts Administrator, presented to Bobbie J. Garver of Indianapolis; Outstanding Arts Advocates, presented to Carole and Gordon Mallett of Zionsville; Outstanding Arts Educator, presented to Keith J. Martin of Evansville; and Outstanding Arts Volunteer Leader, presented to Marilyn Ford of Wabash; and*

*Whereas, This year's recipients are all outstanding citizens who commit their time and talents to make a difference in their*

*communities. Their efforts to enrich the cultural and artistic landscape of Indiana inspire us and are worthy of recognition: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the Indiana Community Arts Leadership Award Recipients for 2007.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Chairman of the Indiana Coalition for the Arts Foundation, Stuart M. Green, and the recipients of the Indiana Community Arts Leadership Award.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Klinker and Koch.

#### **Senate Concurrent Resolution 36**

Senate Concurrent Resolution 36, introduced by Senator Miller:

A CONCURRENT RESOLUTION honoring Dr. Alevda C. King.

*Whereas, Dr. Alevda C. King is the daughter of the late civil rights activist Reverend A.D. King and the niece of Reverend Doctor Martin Luther King Junior. She lived through the zenith of the American Civil Rights Movement, and has made many important contributions of her own;*

*Whereas, Dr. Alevda C. King is a former Georgia State Representative, college professor and best selling author. She has served as a Senior Fellow of the Alexis de Tocqueville Institute and as a board member of the Coalition of African American Pastors;*

*Whereas, At present, Dr. Alevda C. King is a minister of the Gospel of Jesus Christ and serves as Director of African American Outreach for Gospel of Life. She also works with the Africa Humanitarian Christian Fellowship; and*

*Whereas, Dr. Alevda C. King founded King for America, Incorporated to assist people in enriching their lives spiritually, personally, mentally and economically. Her work for the glorification of God in issues that face society today is worthy of recognition: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly honors Dr. Alevda C. King, and wishes her continued success in her work.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Dr. Alevda C. King.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of

the resolution. House sponsor: Representative Mays.

# **Senate Concurrent Resolution 69**

Senate Concurrent Resolution 69, introduced by Senator Nugent:

A CONCURRENT RESOLUTION recognizing Agriculture Week in the State of Indiana.

*Whereas, The Indiana General Assembly recognizes the economic impact of agriculture on the State of Indiana;*

*Whereas, The Indiana Agriculture Resource Council is a partnership of twenty-four commodity organizations and state and federal agriculture agencies seeking to promote an understanding of Indiana's agriculture industry during Agriculture Week;*

*Whereas, Indiana agriculture is a diverse industry representing livestock, poultry, and grain production statewide, as well as diverse crops such as mint production in northern Indiana, melon production in southwestern Indiana, and fruit and vegetable production in all corners of the state;*

*Whereas, Indiana agriculture plays a vital role in the renewable fuels industry and has emerged as a national bio-fuels leader for ethanol and bio-diesel, which reduce our dependence on foreign sources of energy and increase economic opportunities for Hoosiers;*

*Whereas, Indiana agricultural productivity is maintained on 63,000 Hoosier farms encompassing 15.4 million acres, and includes technologically advanced production systems to meet the global needs for food and fiber now and in the future;*

*Whereas, Indiana's agricultural productivity is a direct result of partnerships like the IARC partnerships that encompass producers, government, education, agribusiness, commodity and farm organizations who work together to provide quality food and fiber products, to preserve our natural resources, and to promote rural Indiana; and*

*Whereas, The Indiana General Assembly recognizes the Proclamation of Governor Mitch Daniels declaring the week of March 18 to March 24 as Agriculture Week in the State of Indiana: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes Agriculture Week in the State of Indiana.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to the Indiana Agriculture Resource Council and the Indiana State Department of Agriculture.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Pflum and Gutwein.

## **SENATE MOTION**

Madam President: I move that Senator Merritt be removed as second sponsor of Engrossed House Bill 1568.

MERRITT

Motion prevailed.

## **SENATE MOTION**

Madam President: I move that Senator Breaux be removed as sponsor of Engrossed House Bill 1568 and that Senator Merritt be substituted therefor.

BREAUX

Motion prevailed.

## **SENATE MOTION**

Madam President: I move that Senator Breaux be added as second sponsor of Engrossed House Bill 1568.

MERRITT

Motion prevailed.

## **MESSAGE FROM THE PRESIDENT PRO TEMPORE OF THE INDIANA STATE SENATE**

Madam President and Members of the Senate: I have on March 21, 2007, signed Senate Enrolled Act 41.

DAVID C. LONG  
President Pro Tempore

## **MESSAGE FROM THE PRESIDENT PRO TEMPORE OF THE INDIANA STATE SENATE**

Madam President and Members of the Senate: I have on March 21, 2007, signed House Enrolled Acts 1084, 1146, 1299, 1381, and 1456.

DAVID C. LONG  
President Pro Tempore

## **REPORTS FROM COMMITTEES**

### **COMMITTEE REPORT**

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Engrossed House Bill 1835, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.47-2006, SECTION 2, AS AMENDED BY P.L.91-2006, SECTION 2, AND AS AMENDED BY P.L.123-2006, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following

rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.
- (11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
- (12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
- (13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:
  - (A) the variance procedures are included in the rules; and
  - (B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.
- (14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.
- (15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.
- (16) An emergency rule adopted by the Indiana gaming commission under *IC 4-32.2-3-3(b)*, IC 4-33-4-2, IC 4-33-4-3, ~~or IC 4-33-4-14~~, **or IC 4-35-4-2**.
- (17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.
- (18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.
- (19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.
- (20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
- (21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.
- (22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.
- (23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.
- (24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 **(repealed)**.
- (25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 **(repealed)**.
- (26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).
- (27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) **(repealed)** or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) **(repealed)** or IC 6-1.1-22.5-20.
- (28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.
- (29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.
- (30) *A rule adopted by the Indiana finance authority:*
  - (A) *under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;*
  - (B) *under IC 8-15-2-17.2(a)(10):*
    - (i) *establishing enforcement procedures; and*
    - (ii) *making assessments for failure to pay required tolls;*
  - (C) *under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or*
  - (D) *to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.*
- (b) The following do not apply to rules described in subsection (a):
  - (1) Sections 24 through 36 of this chapter.
  - (2) IC 13-14-9.
- (c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.
- (d) After the document control number has been assigned, the agency shall submit the rule to the ~~secretary of state~~ publisher for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The ~~secretary of state~~ publisher shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.
- (e) Subject to section 39 of this chapter, the ~~secretary of state~~ publisher shall:
  - (1) accept the rule for filing; and
  - (2) ~~file stamp and indicate electronically record~~ the date and time that the rule is accepted. ~~on every duplicate original copy~~

~~submitted.~~

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

- (1) The effective date of the statute delegating authority to the agency to adopt the rule.
- (2) The date and time that the rule is accepted for filing under subsection (e).
- (3) The effective date stated by the adopting agency in the rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j), ~~and~~ (k), and (l), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

(l) *A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.*

Page 1, line 7, after "a" delete "slot" and insert "**type of electronic gaming device**".

Page 1, line 8, delete "machine".

Page 2, line 21, delete "An ordinance adopted by the county fiscal body".

Page 2, delete lines 22 through 23, begin a new paragraph and insert:

**"(d) A person may not operate slot machines in a county under IC 4-35 unless the county fiscal body has adopted an ordinance permitting the operation of slot machines under**

**IC 4-35 in the county."**

Page 2, line 41, reset in roman "and".

Page 2, line 41, after "and" insert "**(if the commission adopts a rule under subsection (c))**".

Page 2, line 41, reset in roman "the number".

Page 3, line 3, delete "The" and insert "**Except as provided in subsection (c), the**".

Page 3, line 3, delete "sixty" and "**forty**".

Page 3, line 4, delete "(160)" and insert "**(140)**".

Page 3, line 6, delete "One hundred (100)" and insert "**Ninety (90)**".

Page 3, line 8, delete "Sixty (60)" and insert "**Fifty (50)**".

Page 3, between lines 16 and 17, begin a new paragraph and insert:

**"(c) The commission may by rule adjust any of the following:**

**(1) The total required number of live racing days under subsection (b).**

**(2) The number of live racing days required under subsection (b)(1).**

**(3) The number of live racing days required under subsection (b)(2)."**

Page 3, line 23, delete "Subject to subsection (c), the" and insert "The".

Page 4, delete lines 27 through 29.

Page 5, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 11. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This article applies only to the following:

(1) Counties contiguous to Lake Michigan.

(2) ~~Counties~~ **A county that is:**

**(A) contiguous to the Ohio River; and**

**(B) described in IC 4-33-6-1(a)(5).**

(3) A county that contains a historic hotel district.

SECTION 12. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. "Riverboat" means either of the following on which lawful gambling is authorized under this article:

(1) A ~~self-propelled excursion boat~~ **vessel** located in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).

(2) A vessel located in a historic hotel district.

**A riverboat is not required to be self-propelled or otherwise have a functioning motor."**

Page 5, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 14. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue to a person a license to own a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, section 3.5 of this chapter, and IC 4-33-4-17. However, not more than ten (10) owner's licenses may be in effect at any time. Except as provided in subsection (b), those ten (10) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from **the following counties: described under IC 4-33-1-1(2):**

**(A) Vanderburgh County.**

**(B) Harrison County.**

**(C) Switzerland County.**

**(D) Ohio County.**

**(E) Dearborn County.**

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in ~~IC 4-33-1-1(2):~~ **this subdivision.**

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

(c) In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.

**(d) A person holding an owner's license may not move the person's riverboat from the location at which the riverboat was docked on January 1, 2007, to any other location.**

SECTION 15. IC 4-33-6-6, AS AMENDED BY P.L.170-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have either:

(A) a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; or

(B) a valid certificate of compliance with marine structural and life safety standards determined by the commission; and

(2) be at least one hundred fifty (150) feet in length.

**However, a riverboat is not required to be self-propelled or otherwise have a functioning motor.**

(b) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 16. IC 4-33-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented

flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars (\$3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the following rate:

(1) Four dollars (\$4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.

(2) Three dollars (\$3) for each person admitted to a riverboat that docks in any other county. This admission tax is imposed upon the licensed owner operating the riverboat.

**(c) The commission may by rule determine the point at which a person is considered to be:**

**(1) admitted to a gambling excursion, in the case of a riverboat subject to subsection (a); or**

**(2) admitted to a riverboat, in the case of a riverboat subject to subsection (b);**

**for purposes of collecting the admissions tax under this chapter."**

Page 13, line 4, delete "Indiana health insurance fund established by IC 4-35-8-8" and insert "**state general fund**".

Page 13, line 13, delete "Indiana health insurance fund established by IC 4-35-8-8" and insert "**state general fund**".

Page 13, delete lines 15 through 36.

Page 17, line 2, delete "or a racetrack that offers slot machine wagering".

Page 17, line 3, delete "under IC 4-35".

Page 17, line 4, after "riverboat" insert ".".

Page 17, line 4, delete "or a".

Page 17, line 5, delete "racetrack that offers slot machine wagering under IC 4-35.".

Page 20, line 22, after "fee." insert "**This section does not prohibit the assessment and levying of property taxes otherwise authorized by law or the imposing of a special assessment (including a ditch or drainage assessment, Barrett Law assessment, improvement assessment, sewer assessment, or sewage assessment) otherwise authorized by law to be imposed on property to be benefited by an improvement.**".

Page 20, line 29, after "Sec. 1." insert "**(a)**".

Page 20, between lines 30 and 31, begin a new paragraph and insert:

**"(b) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of gambling games at racetracks authorized under this article:**

**(1) All powers and duties specified in this article.**

**(2) All powers necessary and proper to fully and effectively execute this article.**

**(3) Jurisdiction and supervision over the following:**

**(A) All gambling game operations in Indiana.**

**(B) All persons at racetracks where gambling games are conducted.**

- (4) The power to investigate and reinvestigate applicants and license holders and determine the eligibility of applicants for licenses.
- (5) The power to take appropriate administrative enforcement or disciplinary action against a licensee.
- (6) The power to investigate alleged violations of this article.
- (7) The power to conduct hearings.
- (8) The power to issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.
- (9) The power to administer oaths and affirmations to the witnesses.
- (10) The power to prescribe the form to be used by licensees.
- (11) The power to revoke, suspend, or renew licenses issued under this article.
- (12) The power to hire employees to gather information, conduct investigations, and carry out other tasks under this article.
- (13) The power to take any reasonable or appropriate action to enforce this article."

Page 20, line 31, after "Sec. 2." insert "(a)".

Page 21, between lines 4 and 5, begin a new line block indented and insert:

"(6) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

- (A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and
- (B) an emergency rule is likely to address the need.

(7) Adopt rules to establish and implement a voluntary exclusion program that meets the requirements of subsection (c).

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(6) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(6).

(c) Rules adopted under subsection (a)(7) must provide the following:

- (1) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program agrees to refrain from entering a facility at which gambling games are conducted or another facility under the jurisdiction of the commission.
- (2) That the name of a person participating in the program will be included on a list of persons excluded from all facilities under the jurisdiction of the commission.
- (3) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program may not petition the commission for readmittance to a facility under the jurisdiction of the commission.
- (4) That the list of patrons entering the voluntary exclusion program and the personal information of the participants are confidential and may only be disseminated by the commission to the owner or operator

of a facility under the jurisdiction of the commission for purposes of enforcement and to other entities, upon request by the participant and agreement by the commission.

(5) That an owner of a facility under the jurisdiction of the commission shall make all reasonable attempts as determined by the commission to cease all direct marketing efforts to a person participating in the program.

(6) That an owner of a facility under the jurisdiction of the commission may not cash the check of a person participating in the program or extend credit to the person in any manner. However, the voluntary exclusion program does not preclude an owner from seeking the payment of a debt accrued by a person before entering the program."

Page 21, between lines 38 and 39, begin a new paragraph and insert:

"Sec. 7. The commission shall adopt standards for the licensing of the following:

- (1) Persons regulated under this article.
- (2) Slot machines used in gambling games.

Sec. 8. The commission shall require that the records, including financial statements, of a licensee must be maintained in the manner prescribed by the commission.

Sec. 9. (a) The commission may eject or exclude or authorize the ejection or exclusion of a person from a facility at which gambling games are conducted if:

- (1) the person's name is on the list of persons voluntarily excluding themselves from all facilities at which gambling games are conducted in a program established under the rules of the commission;
- (2) the person violates this article; or
- (3) the commission determines that the person's conduct or reputation is such that the person's presence within a facility at which gambling games are conducted may:
  - (A) call into question the honesty and integrity of the gambling operations; or
  - (B) interfere with the orderly conduct of the gambling operations.

(b) A person, other than a person participating in a voluntary exclusion program, may petition the commission for a hearing on the person's ejection or exclusion under this section.

Sec. 10. If a licensee or an employee of a licensee violates this article or engages in a fraudulent act, the commission may do any combination of the following:

- (1) Suspend, revoke, or restrict the license of the licensee.
- (2) Require the removal of a licensee or an employee of a licensee.
- (3) Impose a civil penalty of not more than the greater of:
  - (A) ten thousand dollars (\$10,000); or
  - (B) an amount equal to the licensee's daily gross receipts for the day of the violation;
 against a licensee for each violation of this article.
- (4) Impose a civil penalty of not more than twenty-five thousand dollars (\$25,000) against a person who has been issued a supplier's license for each violation of this article.



**Sec. 11. (a)** The commission shall review and make a determination on a complaint by a licensee concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of slot machine gambling operations.

**(b)** A licensee filing a complaint under this section must prove all of the following by clear and convincing evidence:

**(1)** The investigative procedure had no reasonable law enforcement purpose.

**(2)** The investigative procedure was so disruptive as to unreasonably inhibit slot machine gambling operations.

**(c)** For purposes of this section, the need to inspect and investigate a licensee shall be presumed at all times.

**Sec. 12. (a)** The commission shall require a licensee to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

**(1)** On each admission ticket to a facility at which gambling games are conducted, if tickets are issued.

**(2)** On a poster or placard that is on display in a public area of each facility at which slot machine gambling operations are conducted.

**(b)** The commission may adopt rules under IC 4-22-2 necessary to carry out this section."

Page 22, line 2, after "Sec. 2." insert "(a)".

Page 22, between lines 5 and 6, begin a new paragraph and insert:

**"(b)** Before the commission may issue a license to a person under this chapter, the person must submit to the commission for the commission's approval the physical layout of the person's proposed slot machines and the facilities that will contain the proposed slot machines. The facilities that will contain the slot machines must be connected to the licensee's racetrack facilities.

**Sec. 2.5.** The commission may not issue a license under this chapter to a person if:

**(1)** the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

**(2)** the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

**(3)** the person is a member of the commission;

**(4)** the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

**(5)** the person employs an individual who:

**(A)** is described in subdivision (1), (2), or (3); and

**(B)** participates in the management or operation of gambling games authorized under this article; or

**(6)** a license issued to the person:

**(A)** under this article; or

**(B)** to own or operate gambling facilities in another jurisdiction;

has been revoked."

Page 22, line 6, after "3." insert "(a)".

Page 22, line 7, delete "one" and insert "four".

Page 22, line 8, delete "(\$100,000,000)" and insert "(\$400,000,000)".

Page 22, between lines 9 and 10, begin a new paragraph and insert:

**"(b)** The commission shall deposit the first one hundred million dollars (\$100,000,000) of any initial licensing fees collected under this section into the property tax replacement fund. After one hundred million dollars (\$100,000,000) has been deposited into the property tax replacement fund under this section, the commission shall deposit the next one hundred million dollars (\$100,000,000) of any initial licensing fees collected under this section into the state general fund. After one hundred million dollars (\$100,000,000) has been deposited into the property tax replacement fund and one hundred million dollars (\$100,000,000) has been deposited into the state general fund under this section, the commission shall deposit the balance of any remaining initial licensing fees collected under this section into the Indiana life sciences fund established by IC 5-28-28-6.

**(c)** If one hundred million dollars (\$100,000,000) has been deposited in the property tax replacement fund under this section, the property tax replacement fund board shall calculate and apply an additional homestead credit of one hundred million dollars (\$100,000,000) for property taxes first due and payable in 2007. The additional homestead credit shall be applied to the fall installment of property taxes first due and payable in 2007. The department of local government finance and the property tax replacement fund board shall take the actions necessary to apply the credit. If a taxpayer pays more property taxes first due and payable in 2007 than are required after application of the additional homestead credit under this section, the overpayment shall be refunded to the taxpayer or credited against the taxpayer's spring installment for property taxes first due and payable in 2008, as determined by the department of local government finance."

Page 22, line 14, delete "five thousand" and insert "one hundred dollars (\$100) per slot machine operated by the licensee; and".

Page 22, delete line 15.

Page 22, between lines 17 and 18, begin a new line blocked left and insert:

**"Renewal fees paid under this section shall be deposited in the state general fund."**

Page 22, line 19, after "years" insert ".".

Page 22, between lines 19 and 20, begin a new paragraph and insert:

**"Sec. 4.5. A license issued under this article is null and void if the licensee permanently ends horse racing at the racetrack at which the licensee's slot machines are installed."**

Page 23, line 18, delete "one" and insert "four".

Page 23, line 18, delete "(\$100,000,000)." and insert "(\$400,000,000)".

Page 23, line 19, delete "The" and insert "Except as otherwise provided in this chapter, the".

Page 26, delete lines 19 through 28, begin a new paragraph and insert:

**"Sec. 9. (a)** A patron may make a slot machine wager at a racetrack only by means of:

**(1)** a token or an electronic card purchased from a licensee at the licensee's racetrack; or

**(2)** money or other negotiable currency.

**(b)** A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the

patron.

(c) All winnings and payoffs from a slot machine at a racetrack:

- (1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and
- (2) may not be made in money or other negotiable currency."

Page 26, line 29, delete "Sec. 11." and insert "Sec. 10."

Page 26, line 33, delete "Sec. 12. (a)" and insert "Sec. 11."

Page 26, line 33, delete "initially".

Page 26, line 33, delete "two" and insert "one".

Page 26, line 34, delete "(2,500)" and insert "(1,500)".

Page 26, delete lines 36 through 38.

Page 26, line 39, delete "Sec. 13." and insert "Sec. 12."

Page 26, delete lines 41 through 42, begin a new paragraph and insert:

"(b) In each state fiscal year beginning after June 30, 2009, a licensee shall before the fifteenth day of each month devote to horse racing purses an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The commission may not use any of this money for any administrative purpose or other purpose of the commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall distribute the money devoted to horse racing purses under this subsection as follows:

- (1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).
- (2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).
- (3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association.

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

- (1) Forty-six percent (46%) for thoroughbred purposes as follows:
  - (A) Sixty percent (60%) for the following purposes:
    - (i) Ninety-seven percent (97%) for thoroughbred purses.
    - (ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.
    - (iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

- (A) Fifty percent (50%) for the following purposes:
  - (i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.
  - (ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

- (A) Seventy percent (70%) for the following purposes:
  - (i) Ninety-five percent (95%) for quarter horse purses.
  - (ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

- (1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.
- (2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.
- (3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) A horsemen's association receiving a distribution of money under this section shall annually file a report with the commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission."

Page 27, delete line 1.

Page 27, line 2, delete "(c)" and insert "(g)".

Page 27, line 4, delete "(d)" and insert "(h)".

Page 27, line 16, delete "(e)" and insert "(i)".

Page 27, line 17, delete "Indiana health insurance fund established by IC 4-35-8-8." and insert "state general fund."

Page 27, between lines 17 and 18, begin a new paragraph and insert:

"Sec. 13. The commission may not prohibit a licensee from allowing pari-mutuel wagering at the facility at which gambling games are conducted under this article."

Page 27, delete lines 19 through 22, begin a new paragraph and insert:

"Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

- (1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.
- (2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000)

received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year."

Page 28, line 25, delete "as follows:" and insert "to the state general fund."

Page 28, delete lines 26 through 42, begin a new paragraph and insert:

#### **"Chapter 8.5. County Slot Machine Wagering Fee**

**Sec. 1. (a)** Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a county slot machine wagering fee equal to two percent (2%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than five million dollars (\$5,000,000) of county slot machine wagering fees under this section in any state fiscal year.

(b) The commission shall deposit the county slot machine wagering fee received by the commission into a separate account within the state general fund.

**Sec. 2.** Before the fifteenth day of each month, the treasurer of state shall distribute any county slot machine wagering fees received from a licensee during the previous month to the county auditor of the county in which the licensee's racetrack is located.

**Sec. 3.** The auditor of each county receiving a distribution of county slot machine wagering fees under section 2 of this chapter shall distribute the county slot machine wagering fees as follows:

- (1) To each city located in the county according to the ratio the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio the town's population bears to the total population of the county.
- (3) After the distributions required by subdivisions (1) and (2) are made, the remainder shall be retained by the county.

**Sec. 4. (a)** As used in this section, "political subdivision" means a county, city, or town.

(b) Money paid to a political subdivision under this chapter:

- (1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;
- (2) may not be used to reduce the political subdivision's maximum levy under IC 6-1.1 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year;
- (3) may be used for any purpose specified in this chapter or for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
- (4) is considered miscellaneous revenue.

#### **Chapter 8.7. Gaming Integrity Fee**

**Sec. 1.** As used in this chapter, "fund" means the gaming integrity fund established by section 3 of this chapter.

**Sec. 2.** A licensee that offers slot machine wagering under this article shall annually pay to the commission a gaming integrity fee equal to five hundred thousand dollars (\$500,000) for each racetrack at which the licensee offers slot machine wagering. The commission shall deposit gaming integrity fees in the fund.

**Sec. 3. (a)** The gaming integrity fund is established.

(b) The fund shall be administered by the commission.

(c) The fund consists of gaming integrity fees deposited in the fund under this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund may be used by the commission only for the following purposes:

- (1) To pay the cost of analyzing equine specimens under IC 4-31-12-6(b).
- (2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.
- (3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.

#### **Chapter 8.9. Supplemental Fees**

**Sec. 1.** This chapter applies only to state fiscal years beginning after June 30, 2007, and ending before July 1, 2012.

**Sec. 2. (a)** Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a supplemental fee equal to one percent (1%) of the adjusted gross receipts received by the licensee from slot machine wagering.

(b) The commission shall deposit the supplemental fees into a separate account within the state general fund.

**Sec. 3.** Before the fifteenth day of each month, the treasurer of state shall distribute supplemental fees received under this chapter during the previous month in equal shares to the licensed owners or operating agent of each riverboat that first opens for business under IC 4-33 after June 30, 2006."

Delete page 29.

Page 30, delete lines 1 through 8.

Page 34, line 17, delete "a permit" and insert "the commission".

Page 34, line 18, delete "holder".

Page 34, line 18, delete "of expending at least:" and insert "for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises. The goals under this subsection must as nearly as possible be equal to goals set by the commission under IC 4-33-14-5 for contracts awarded for goods or services."

Page 34, delete lines 19 through 24.

Page 35, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 23. IC 5-28-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 28. Indiana Life Sciences Fund**

**Sec. 1.** As used in this chapter, "applicant" means a postsecondary research institution that submits an application for a grant from the fund.

**Sec. 2.** As used in this chapter, "fund" refers to the Indiana life sciences fund established by section 6 of this chapter.

**Sec. 3.** As used in this chapter, "life sciences" refers to research in bioscience, biotechnology, biomedicine, medical device technology, pharmaceuticals, biomedical engineering, bioenergetics, health care engineering, nanotechnology within the life sciences field, agri-sciences, and other related health disciplines and disciplines considered life sciences.

**Sec. 4.** As used in this chapter, "postsecondary research institution" means a public or private college or university in Indiana that offers life sciences graduate programs or life sciences research programs.

**Sec. 5.** As used in this chapter, "world class scientist" means a principal investigator or researcher who:

- (1) holds an academic appointment;
- (2) has a significant research portfolio and a record of attracting external research support; and
- (3) meets any other criteria established by the board.

**Sec. 6. (a)** The Indiana life sciences fund is established within the state treasury to provide grants to postsecondary research institutions to support the recruitment and retention of world class scientists in Indiana for the following purposes:

- (1) To strengthen Indiana's economy by focusing investment in life sciences economic clusters that foster high skill, high wage jobs.
- (2) To target state investment in university based research and development through various means, including:
  - (A) matching funds for federal or private research grants or gifts;
  - (B) support for endowed research faculty chairs at postsecondary research institutions; and
  - (C) investment in research facilities, laboratories, and specialized equipment that is conducive to the conducting of the highest quality of scholarship and research in life sciences.

(3) To stimulate the transfer of research and technology into marketable products.

(4) To enter into a collaborative arrangement with the private sector or another public or private educational institution.

(5) To encourage an environment of innovation and cooperation among Indiana public or private educational institutions, state agencies, and private businesses to promote life sciences research and development activity.

**(b)** The fund consists of the following:

- (1) Distributions to the fund under IC 4-35-5-3.
- (2) Appropriations from the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest or other earnings on the fund.

**(c)** The corporation shall administer the fund. Subject to appropriation by the general assembly, money in the fund may

be used to provide grants to postsecondary research institutions to support the recruitment, retention, and ongoing financial support of world class scientists.

**(d)** The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

**(e)** The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

**(f)** Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

**(g)** All expenditures from the fund are subject to appropriation by the general assembly.

**Sec. 7. (a)** A postsecondary research institution may apply for one (1) or more grants from the fund.

**(b)** An application requesting a grant from the fund must be targeted to one (1) or more of the purposes listed in section 6 of this chapter.

**(c)** A successful applicant for a grant from the fund must meet the requirements of this section, be awarded a grant by the board, and be approved by the budget agency under section 8 of this chapter. An application for a grant from the fund must be made on an application form prescribed by the board. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

**(d)** All applications for a grant from the fund must include the following:

- (1) A fully elaborated technical research plan that is appropriate for review by outside experts as provided in this chapter.
- (2) A detailed financial analysis that includes the commitment of resources by any other entities that will be involved in the research project.
- (3) A statement of the scientific and commercial potential of the research project.
- (4) A statement of the manner in which support from the fund will lead to significantly increased funding from federal or private sources or from private sector research partners.
- (5) The profile and obligations of the world class scientist that the applicant is seeking to recruit or retain.
- (6) Any other information that the board considers appropriate.

**(e)** An applicant for a grant from the fund may request that certain information that is submitted by the applicant be kept confidential. The board shall make a determination of confidentiality as soon as is practicable. If the board determines that the information should not be kept confidential, the applicant may withdraw the application, and the board must return the information before making it part of any public record.

**Sec. 8. (a)** The board has the following powers:

- (1) To accept and analyze applications under this chapter.
- (2) To award grants to applicants, subject to review by the budget committee and approval by the budget agency.
- (3) Subject to appropriation by the general assembly, to contract with experts for advice and counsel.

(4) Subject to appropriation by the general assembly, to employ staff to assist in carrying out this chapter, including providing assistance to applicants who wish to apply for a grant from the fund, analyzing proposals, working with experts engaged by the board, and preparing reports and recommendations for the board.

(b) The board shall consider the following factors in making determinations concerning the award of a grant under this chapter:

- (1) The scientific merit of the proposed research.
- (2) The predicted future success of governmental or private funding for the proposed research.
- (3) The ability of the world class scientist identified in the proposal to generate matching funds and funds for additional research.
- (4) The extent to which the proposal evidences collaboration among two (2) or more postsecondary research institutions, as well as cost sharing and partnership support from the private sector.
- (5) The extent to which the proposal will affect the state's ability to attract external financial support, create jobs, attract and retain businesses, or expand technology transfer opportunities in life sciences.
- (6) The recommendations from the peer review panel that reviews the proposal. The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or academic institution in Indiana that would constitute a conflict of interest for the panel member. A grant from the fund may not be approved by the board unless the grant proposal has received a positive recommendation from a peer review panel described in this subdivision.

(c) The board shall make final funding determinations, subject to review by the budget committee and approval by the budget agency, for applications for grants from the fund in a timely manner that is responsive to recruiting world class scientists.

(d) As a condition of accepting a grant under this chapter, an applicant shall enter into a memorandum of understanding with the board and the budget agency regarding the expenditure of grant funds.

(e) The board shall annually report to the legislative council, in an electronic format under IC 5-14-6, information concerning the amounts, recipients, and subject matters of grants awarded by the board under this chapter.

**Sec. 9. A grant awarded under this chapter may not be used to conduct embryonic stem cell research.**

SECTION 24. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
  - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
  - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
  - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
  - (A) *for taxable years beginning after December 31, 2004*, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code *for taxable years beginning after December 31, 1996 (as effective January 1, 2004)*; and
  - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

- (6) Subtract an amount equal to the lesser of:
  - (A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or
  - (B) two thousand dollars (\$2,000).
- (7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.
- (8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.
- (9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179

property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. **For taxable years beginning after December 31, 2007, the riverboat wagering tax under IC 4-33-13 is not considered a tax based on or measured by income.**

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the*

*corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
- (3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue

Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500)."

Page 41, line 14, delete "not more than".

Page 41, line 14, after "months" delete "." and insert "**or for a longer time as determined by the Indiana gaming commission.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as reprinted February 23, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 3.

KENLEY, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1678, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning health.

Page 1, delete lines 1 through 12, begin a new paragraph and insert:

"SECTION 1. [EFFECTIVE JULY 1, 2007] **(a) The health finance commission established by IC 2-5-23-3 shall study the following during the 2007 interim of the general assembly:**

**(1) Whether the acute care hospital in Gary, Indiana, should be converted from a private corporation to a county hospital, a municipal hospital, or other governmental hospital. In considering whether a conversion should occur, the commission shall consider the following:**

**(A) Whether the conversion would result in better quality care that would be sufficient to meet the needs of the community.**

**(B) Whether the hospital's finances would be improved.**

**(C) The legal requirements to convert the hospital.**

**(2) Ways in which the state and other entities can encourage physicians to practice in rural and county hospitals.**

**(3) The manner in which a not-for-profit hospital can be converted into a county or municipal hospital.**

**(4) Federal guidelines concerning county hospitals and intergovernmental transfers.**

**(b) This SECTION expires December 31, 2007."**

(Reference is to HB 1678 as reprinted February 7, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

MILLER, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Engrossed House Bill 1717, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-33-2-11.6, AS ADDED BY P.L.170-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11.6. "Law enforcement agency" means any of the following:

(1) The gaming agents of the Indiana gaming commission.

(2) The state police department.

(3) The conservation officers of the department of natural resources.

(4) The state excise police of the alcohol and tobacco commission.

**(5) The enforcement department of the securities division of the office of the secretary of state.**

SECTION 2. IC 5-2-1-9, AS AMENDED BY P.L.173-2006, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The board shall adopt in accordance with IC 4-22-2 all necessary rules to carry out the provisions of this chapter. The rules, which shall be adopted only after necessary and proper investigation and inquiry by the board, shall include the establishment of the following:

(1) Minimum standards of physical, educational, mental, and moral fitness which shall govern the acceptance of any person for training by any law enforcement training school or academy meeting or exceeding the minimum standards established pursuant to this chapter.

(2) Minimum standards for law enforcement training schools administered by towns, cities, counties, law enforcement training centers, agencies, or departments of the state.

(3) Minimum standards for courses of study, attendance requirements, equipment, and facilities for approved town, city, county, and state law enforcement officer, police reserve officer, and conservation reserve officer training schools.

(4) Minimum standards for a course of study on cultural diversity awareness that must be required for each person accepted for training at a law enforcement training school or academy.



(5) Minimum qualifications for instructors at approved law enforcement training schools.

(6) Minimum basic training requirements which law enforcement officers appointed to probationary terms shall complete before being eligible for continued or permanent employment.

(7) Minimum basic training requirements which law enforcement officers appointed on other than a permanent basis shall complete in order to be eligible for continued employment or permanent appointment.

(8) Minimum basic training requirements which law enforcement officers appointed on a permanent basis shall complete in order to be eligible for continued employment.

(9) Minimum basic training requirements for each person accepted for training at a law enforcement training school or academy that include six (6) hours of training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the secretary of family and social services and the board.

(10) Minimum standards for a course of study on human and sexual trafficking that must be required for each person accepted for training at a law enforcement training school or academy and for inservice training programs for law enforcement officers. The course must cover the following topics:

- (A) Examination of the human and sexual trafficking laws (IC 35-42-3.5).
- (B) Identification of human and sexual trafficking.
- (C) Communicating with traumatized persons.
- (D) Therapeutically appropriate investigative techniques.
- (E) Collaboration with federal law enforcement officials.
- (F) Rights of and protections afforded to victims.
- (G) Providing documentation that satisfies the Declaration of Law Enforcement Officer for Victim of Trafficking in Persons (Form I-914, Supplement B) requirements established under federal law.
- (H) The availability of community resources to assist human and sexual trafficking victims.

(b) Except as provided in subsection (l), a law enforcement officer appointed after July 5, 1972, and before July 1, 1993, may not enforce the laws or ordinances of the state or any political subdivision unless the officer has, within one (1) year from the date of appointment, successfully completed the minimum basic training requirements established under this chapter by the board. If a person fails to successfully complete the basic training requirements within one (1) year from the date of employment, the officer may not perform any of the duties of a law enforcement officer involving control or direction of members of the public or exercising the power of arrest until the officer has successfully completed the training requirements. This subsection does not apply to any law enforcement officer appointed before July 6, 1972, or after June 30, 1993.

(c) Military leave or other authorized leave of absence from law enforcement duty during the first year of employment after July 6, 1972, shall toll the running of the first year, which shall be calculated by the aggregate of the time before and after the leave,

for the purposes of this chapter.

(d) Except as provided in subsections (e), (l), ~~and~~ (q), and (r), a law enforcement officer appointed to a law enforcement department or agency after June 30, 1993, may not:

- (1) make an arrest;
- (2) conduct a search or a seizure of a person or property; or
- (3) carry a firearm;

unless the law enforcement officer successfully completes, at a board certified law enforcement academy or at a law enforcement training center under section 10.5 or 15.2 of this chapter, the basic training requirements established by the board under this chapter.

(e) This subsection does not apply to:

- (1) a gaming agent employed as a law enforcement officer by the Indiana gaming commission; or

(2) **an:**

**(A) attorney; or**

**(B) investigator;**

**designated by the securities commissioner as a police officer of the state under IC 23-2-1-15(i).**

Before a law enforcement officer appointed after June 30, 1993, completes the basic training requirements, the law enforcement officer may exercise the police powers described in subsection (d) if the officer successfully completes the pre-basic course established in subsection (f). Successful completion of the pre-basic course authorizes a law enforcement officer to exercise the police powers described in subsection (d) for one (1) year after the date the law enforcement officer is appointed.

(f) The board shall adopt rules under IC 4-22-2 to establish a pre-basic course for the purpose of training:

- (1) law enforcement officers;
- (2) police reserve officers (as described in IC 36-8-3-20); and
- (3) conservation reserve officers (as described in IC 14-9-8-27);

regarding the subjects of arrest, search and seizure, the lawful use of force, and the operation of an emergency vehicle. The pre-basic course must be offered on a periodic basis throughout the year at regional sites statewide. The pre-basic course must consist of at least forty (40) hours of course work. The board may prepare the classroom part of the pre-basic course using available technology in conjunction with live instruction. The board shall provide the course material, the instructors, and the facilities at the regional sites throughout the state that are used for the pre-basic course. In addition, the board may certify pre-basic courses that may be conducted by other public or private training entities, including colleges and universities.

(g) The board shall adopt rules under IC 4-22-2 to establish a mandatory inservice training program for police officers. After June 30, 1993, a law enforcement officer who has satisfactorily completed basic training and has been appointed to a law enforcement department or agency on either a full-time or part-time basis is not eligible for continued employment unless the officer satisfactorily completes the mandatory inservice training requirements established by rules adopted by the board. Inservice training must include training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the secretary of family and social services and the board, and

training concerning human and sexual trafficking. The board may approve courses offered by other public or private training entities, including colleges and universities, as necessary in order to ensure the availability of an adequate number of inservice training programs. The board may waive an officer's inservice training requirements if the board determines that the officer's reason for lacking the required amount of inservice training hours is due to either of the following:

- (1) An emergency situation.
- (2) The unavailability of courses.

(h) The board shall also adopt rules establishing a town marshal basic training program, subject to the following:

- (1) The program must require fewer hours of instruction and class attendance and fewer courses of study than are required for the mandated basic training program.
- (2) Certain parts of the course materials may be studied by a candidate at the candidate's home in order to fulfill requirements of the program.
- (3) Law enforcement officers successfully completing the requirements of the program are eligible for appointment only in towns employing the town marshal system (IC 36-5-7) and having not more than one (1) marshal and two (2) deputies.
- (4) The limitation imposed by subdivision (3) does not apply to an officer who has successfully completed the mandated basic training program.
- (5) The time limitations imposed by subsections (b) and (c) for completing the training are also applicable to the town marshal basic training program.

(i) The board shall adopt rules under IC 4-22-2 to establish an executive training program. The executive training program must include training in the following areas:

- (1) Liability.
- (2) Media relations.
- (3) Accounting and administration.
- (4) Discipline.
- (5) Department policy making.
- (6) Lawful use of force.
- (7) Department programs.
- (8) Emergency vehicle operation.
- (9) Cultural diversity.

(j) A police chief shall apply for admission to the executive training program within two (2) months of the date the police chief initially takes office. A police chief must successfully complete the executive training program within six (6) months of the date the police chief initially takes office. However, if space in the executive training program is not available at a time that will allow completion of the executive training program within six (6) months of the date the police chief initially takes office, the police chief must successfully complete the next available executive training program that is offered after the police chief initially takes office.

(k) A police chief who fails to comply with subsection (j) may not continue to serve as the police chief until completion of the executive training program. For the purposes of this subsection and subsection (j), "police chief" refers to:

- (1) the police chief of any city;
- (2) the police chief of any town having a metropolitan police department; and

(3) the chief of a consolidated law enforcement department established under IC 36-3-1-5.1.

A town marshal is not considered to be a police chief for these purposes, but a town marshal may enroll in the executive training program.

(l) A fire investigator in the division of fire and building safety appointed after December 31, 1993, is required to comply with the basic training standards established under this chapter.

(m) The board shall adopt rules under IC 4-22-2 to establish a program to certify handgun safety courses, including courses offered in the private sector, that meet standards approved by the board for training probation officers in handgun safety as required by IC 11-13-1-3.5(3).

(n) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:

- (1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
- (2) worked as a full-time law enforcement officer for at least one (1) year before the officer is hired under subdivision (1);
- (3) has not been employed as a law enforcement officer for at least two (2) years and less than six (6) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement; and
- (4) completed a basic training course certified by the board before the officer is hired under subdivision (1).

(o) An officer to whom subsection (n) applies must successfully complete the refresher course described in subsection (n) not later than six (6) months after the officer's date of hire, or the officer loses the officer's powers of:

- (1) arrest;
- (2) search; and
- (3) seizure.

(p) A law enforcement officer who:

- (1) has completed a basic training course certified by the board; and
- (2) has not been employed as a law enforcement officer in the six (6) years before the officer is hired as a law enforcement officer;

is not eligible to attend the refresher course described in subsection (n) and must repeat the full basic training course to regain law enforcement powers.

(q) This subsection applies only to a gaming agent employed as a law enforcement officer by the Indiana gaming commission. A gaming agent appointed after June 30, 2005, may exercise the police powers described in subsection (d) if:

- (1) the agent successfully completes the pre-basic course established in subsection (f); and
- (2) the agent successfully completes any other training courses established by the Indiana gaming commission in conjunction with the board.

**(r) This subsection applies only to a securities enforcement officer designated as a law enforcement officer by the securities commissioner. A securities enforcement officer may exercise the police powers described in subsection (d) if:**

- (1) the securities enforcement officer successfully completes the pre-basic course established in subsection (f); and**

- (2) the securities enforcement officer successfully completes any other training courses established by the securities commissioner in conjunction with the board.

SECTION 3. IC 23-2-2.5-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 34. (a) ~~If in the opinion of it appears to the commissioner that:~~

- (1) the offer of any franchise is subject to registration under this chapter and it is being, or it has been, offered for sale without such offer first being registered; or  
(2) a person has engaged in or is about to engage in an act, a practice, or a course of business constituting a violation of this chapter or a rule or an order under this chapter;

the commissioner may order the franchisor or offeror of such franchise to cease and desist from the further offer or sale of such franchise unless and until such offer has been registered under this chapter. If, after such an order has been made, a request for a hearing is filed in writing by the person to whom such order was directed, a hearing shall be held to commence within fifteen (15) days after the request is made, unless the person affected consents to a later date. investigate and may issue, with or without a prior hearing, orders and notices as the commissioner determines to be in the public interest, including cease and desist orders, orders to show cause, and notices. After notice and an opportunity for hearing, the commissioner may enter an order of rescission, restitution, or disgorgement, including interest at the rate of eight percent (8%) per year, directed to a person who has violated this chapter or a rule or order under this chapter. In addition to all other remedies, the commissioner may bring an action in the name of and on behalf of the state against any person participating in or about to participate in a violation of this chapter, to enjoin the person from continuing or doing an act furthering a violation of this chapter and may obtain the appointment of a receiver or conservator. Upon a proper showing by the commissioner, the court shall enter an order of the commissioner directing rescission, restitution, or disgorgement to a person who has violated this chapter or a rule or order under this chapter.

(b) Upon the issuance of an order or a notice by the commissioner under subsection (a), the commissioner shall promptly notify the respondent of the following:

- (1) That the order or notice has been issued.  
(2) The reasons the order or notice has been issued.  
(3) That upon the receipt of a written request the matter will be set for a hearing to commence not later than forty-five (45) business days after the commissioner receives the request, unless the respondent consents to a later date.

If the respondent does not request a hearing and the commissioner does not order a hearing, the order or notice will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after giving notice of the hearing, may modify or vacate the order or extend it until final determination.

(c) In a final order, the commissioner may charge the costs of an investigation or a proceeding conducted in connection with a violation of:

- (1) this chapter; or  
(2) a rule or an order adopted or issued under this

chapter;

to be paid as directed by the commissioner in the order.

(d) In a proceeding in a circuit or superior court under this section, the commissioner is entitled to recover all costs and expenses of investigation to which the commissioner would be entitled in an administrative proceeding, and the court shall include the costs in its final judgment.

(e) If the commissioner determines, after notice and opportunity for a hearing, that a person has violated this chapter, the commissioner may, in addition to or instead of all other remedies, impose a civil penalty upon the person in an amount not to exceed ten thousand dollars (\$10,000) for each violation. An appeal from the decision of the commissioner imposing a civil penalty under this subsection may be taken by an aggrieved party under section 44 of this chapter.

(f) The commissioner may bring an action in the circuit or superior court of Marion County to enforce payment of any penalty imposed under subsection (e).

(g) Penalties collected under this section shall be deposited in the securities division enforcement account established under IC 23-2-1-15(c).

SECTION 4. IC 23-2-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) As used in this chapter, "certificate of registration" means a certificate issued by the commissioner authorizing an individual to engage in origination activities on behalf of a licensee.

(b) As used in this chapter, "creditor" means a person:

- (1) that loans funds of the person in connection with a loan; and  
(2) to whom the loan is initially payable on the face of the note or contract evidencing the loan.

(c) As used in this chapter, "license" means a license issued by the commissioner authorizing a person to engage in the loan brokerage business.

(d) As used in this chapter, "licensee" means a person that is issued a license under this chapter.

(e) As used in this chapter, "loan broker" means any person who, in return for any consideration from any source procures, attempts to procure, or assists in procuring a loan from a third party or any other person, whether or not the person seeking the loan actually obtains the loan. "Loan broker" does not include:

- (1) any supervised financial organization (as defined in IC 24-4.5-1-301(20)), including a bank, savings bank, trust company, savings association, or credit union; or  
(2) any other financial institution that is:  
(A) regulated by any agency of the United States or any state; and  
(B) regularly actively engaged in the business of making consumer loans that are not secured by real estate or taking assignment of consumer sales contracts that are not secured by real estate;  
(2) (3) any insurance company; or  
(3) (4) any person arranging financing for the sale of the person's product.

(f) As used in this chapter, "loan brokerage business" means a person acting as a loan broker.

(g) As used in this chapter, "origination activities" means communication with or assistance of a borrower or prospective

borrower in the selection of loan products or terms.

(h) As used in this chapter, "originator" means a person engaged in origination activities. The term "originator" does not include a person who performs origination activities for any entity that is not a loan broker under subsection (e).

(i) As used in this chapter, "person" means an individual, a partnership, a trust, a corporation, a limited liability company, a limited liability partnership, a sole proprietorship, a joint venture, a joint stock company, or another group or entity, however organized.

(j) As used in this chapter, "registrant" means an individual who is registered:

- (1) to engage in origination activities under this chapter; or
- (2) as a principal manager.

(k) As used in this chapter, "ultimate equitable owner" means a person who, directly or indirectly, owns or controls ~~any ownership~~ **ten percent (10%) or more of the equity** interest in a ~~person; loan broker licensed or required to be licensed under this chapter,~~ regardless of whether the person owns or controls the ~~ownership equity~~ interest through one (1) or more other persons or one (1) or more proxies, powers of attorney, or variances.

(l) As used in this chapter, "principal manager" means an individual who:

- (1) has at least three (3) years of experience:
  - (A) as a loan broker; or
  - (B) in financial services;
 that is acceptable to the commissioner; and
- (2) is principally responsible for the supervision and management of the employees and business affairs of a licensee.

SECTION 5. IC 23-2-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Any person desiring to engage or continue in the loan brokerage business shall apply to the commissioner for a license under this chapter.

(b) An individual ~~desiring to be~~ employed by a licensee to engage in origination activities shall ~~be registered; by the licensee; with apply to the commissioner for registration under section 5(a)(6) and section 5(c) of this chapter.~~

(c) Any individual desiring to be employed by a licensee as a principal manager shall apply to the commissioner for registration under this chapter.

SECTION 6. IC 23-2-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) An application for license or renewal of a license must contain:

- (1) consent to service of process under subsection ~~(c);~~ (h);
- (2) evidence of the bond required in subsection ~~(b);~~ (e);
- (3) an application fee of two hundred dollars (\$200), **plus fifty dollars (\$50) for each ultimate equitable owner;**
- (4) an affidavit affirming that none of the applicant's ultimate equitable owners, directors, managers, or officers have been convicted, in any jurisdiction, of an offense involving fraud or deception that is punishable by at least one (1) year of imprisonment, unless waived by the commissioner under subsection (f);
- (5) evidence that the applicant, if the applicant is an individual, has completed the education requirements under section 21 of this chapter;
- ~~(6) a registration form setting forth the name, home address,~~

home telephone number, and Social Security number of each employee or prospective employee of the applicant who is or who will be engaged in origination activities; and

(7) evidence that the license applicant's proposed registrants have completed the education requirements of section 21 of this chapter.

- (6) the name and registration number for each originator to be employed by the licensee;
- (7) the name and registration number for each principal manager; and
- (8) for each ultimate equitable owner, the following information:

- (1) The name of the ultimate equitable owner.
- (2) The address of the ultimate equitable owner, including the home address of the ultimate equitable owner if the ultimate equitable owner is an individual.
- (3) The telephone number of the ultimate equitable owner, including the home telephone number if the ultimate equitable owner is an individual.
- (4) The ultimate equitable owner's Social Security number and date of birth, if the ultimate equitable owner is an individual.

(b) An application for registration as an originator shall be made on a registration form prescribed by the commissioner. The application must include the following information for the individual that seeks to be registered as an originator:

- (1) The name of the individual.
- (2) The home address of the individual.
- (3) The home telephone number of the individual.
- (4) The individual's Social Security number and date of birth.
- (5) The name of the:

- (A) licensee; or
- (B) applicant for licensure;

for whom the individual seeks to be employed as an originator.

- (6) Consent to service of process under subsection (h).
- (7) Evidence that the individual has completed the education requirements described in section 21 of this chapter.
- (8) An application fee of fifty dollars (\$50).
- (9) All registration numbers previously issued to the individual under this chapter, if applicable.

(c) An application for registration as a principal manager shall be made on a registration form prescribed by the commissioner. The application must include the following information for the individual who seeks to be registered as a principal manager:

- (1) The name of the individual.
- (2) The home address of the individual.
- (3) The home telephone number of the individual.
- (4) The individual's Social Security number and date of birth.
- (5) The name of the:
  - (A) licensee; or
  - (B) applicant for licensure;
 for whom the individual seeks to be employed as a principal manager.

(6) Consent to service of process under subsection (h).

(7) Evidence that the individual has completed the education requirements described in section 21 of this chapter.

(8) Evidence that the individual has at least three (3) years of experience in the:

(A) loan brokerage; or

(B) financial services; business.

(9) An application fee of one hundred dollars (\$100).

(10) All registration numbers previously issued to the individual, if applicable.

(d) The commissioner shall require an applicant for registration as:

(1) an originator under subsection (b); or

(2) a principal manager under subsection (c);

to pass a written examination prepared and administered by the commissioner or an agent appointed by the commissioner.

(b) (e) A licensee must maintain a bond satisfactory to the commissioner in the amount of fifty thousand dollars (\$50,000), which shall be in favor of the state and shall secure payment of damages to any person aggrieved by any violation of this chapter by the licensee.

(c) (f) The commissioner shall issue a license **and license number** to an applicant that meets the licensure requirements of this chapter. Whenever the registration provisions of this chapter have been complied with, the commissioner shall issue a certificate of registration **and registration number** authorizing the registrant to:

(1) engage in origination activities; or

(2) act as a principal manager;

whichever applies.

(d) Licenses issued by the commissioner before January 1, 2001, shall be valid; and renewal of such licenses shall not be required until January 1, 2001. Individuals engaging in origination activities for a licensee before January 1, 2001, shall not be required to apply for and receive a certificate of registration until January 1, 2001. Except as otherwise provided in this subsection, licenses (g) Licenses and initial certificates of registration issued by the commissioner are valid until January 1 of the second year after issuance. The education requirements of section 21 of this chapter shall first apply to applicants for issuance or renewal of licenses or registrations effective as of January 1, 2001.

(e) (h) Every applicant for licensure **or registration** for renewal of a license **or a registration** shall file with the commissioner, in such form as the commissioner by rule or order prescribes, an irrevocable consent appointing the secretary of state to be the applicant's agent to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant arising from the violation of any provision of this chapter. Service shall be made in accordance with the Indiana Rules of Trial Procedure.

(f) (i) Upon good cause shown, the commissioner may waive the requirements of subsection (a)(4) for one (1) or more of an applicant's ultimate equitable owners, directors, managers, or officers.

(g) (j) Whenever an initial or a renewal application for a license **or registration** is denied or withdrawn, the commissioner shall

retain the initial or renewal application fee paid.

(k) The commissioner shall require each:

(1) equitable owner; and

(2) applicant for registration as:

(A) an originator; or

(B) a principal manager;

to undergo a criminal background check at the expense of the equitable owner or applicant.

(l) The commissioner may check the qualifications, background, licensing status, and service history of each:

(1) equitable owner; and

(2) applicant for registration as:

(A) an originator; or

(B) a principal manager;

by accessing, upon availability, a multistate automated licensing system for mortgage brokers and originators, including the National Mortgage Licensing Database proposed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The equitable owner or the applicant shall pay any fees or costs associated with a check conducted under this subsection.

SECTION 7. IC 23-2-5-9.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.1. (a) As used in this section, "appraisal company" means a person that employs or retains the services of one (1) or more real estate appraisers.

(b) As used in this section, "immediate family", with respect to an individual, refers to:

(1) the individual's spouse who resides in the individual's household; and

(2) any dependent child of the individual.

(c) As used in this section, "real estate appraiser" means a person who:

(1) is licensed as a real estate broker under IC 25-34.1 and performs real estate appraisals within the scope of the person's license; or

(2) holds a real estate appraiser license or certificate issued under IC 25-34.1-8.

(d) A person licensed or registered under this chapter, or a person required to be licensed or registered under this chapter, shall not knowingly bribe, coerce, or intimidate another person to corrupt or improperly influence the independent judgment of a real estate appraiser with respect to the value of any real estate offered as security for a mortgage loan.

(e) Except as provided in subsection (f), after June 30, 2007:

(1) a person licensed or registered under this chapter, or a person required to be licensed or registered under this chapter;

(2) a member of the immediate family of:

(A) a person licensed or registered under this chapter; or

(B) a person required to be licensed or registered under this chapter; or

(3) a person described in subdivision (1) or (2) in combination with one (1) or more other persons described in subdivision (1) or (2);

may not own or control a majority interest in an appraisal company.

(f) This subsection applies to a person or combination of persons described in subsection (e) who own or control a majority interest in an appraisal company on June 30, 2007. The prohibition set forth in subsection (e) does not apply to a person or combination of persons described in this subsection, subject to the following:

- (1) The interest in the appraisal company owned or controlled by the person or combination of persons described in subsection (e) shall not be increased after June 30, 2007.
- (2) The interest of a person licensed or registered under this chapter, or of a person required to be licensed or registered under this chapter, shall not be transferred to a member of the person's immediate family.
- (3) If the commissioner determines that any person or combination of persons described in subsection (e) has violated this chapter, the commissioner may order one (1) or more of the persons to divest their interest in the appraisal company. The commissioner may exercise the remedy provided by this subdivision in addition to, or as a substitute for, any other remedy available to the commissioner under this chapter.

SECTION 8. IC 23-2-5-10, AS AMENDED BY P.L.48-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) Whenever it appears to the commissioner that a person has engaged in or is about to engage in an act or a practice constituting a violation of this chapter or a rule or an order under this chapter, the commissioner may investigate and may issue, with a prior hearing if there exists no substantial threat of immediate irreparable harm or without a prior hearing, if there exists a substantial threat of immediate irreparable harm, orders and notices as the commissioner determines to be in the public interest, including cease and desist orders, orders to show cause, and notices. After notice and hearing, the commissioner may enter an order of rescission, restitution, or disgorgement, including interest at the rate of eight percent (8%) per year, directed to a person who has violated this chapter or a rule or order under this chapter.

(b) Upon the issuance of an order or notice without a prior hearing by the commissioner under subsection (a), the commissioner shall promptly notify the respondent **and, if the subject of the order or notice is a registrant, the licensee for whom the registrant is employed:**

- (1) that the order or notice has been issued;
- (2) of the reasons the order or notice has been issued; and
- (3) that upon the receipt of a written request the matter will be set down for a hearing to commence within fifteen (15) business days after receipt of the request unless the respondent consents to a later date.

If a hearing is not requested and not ordered by the commissioner, an order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of an opportunity for hearing, may modify or vacate the order or extend it until final determination.

(c) The commissioner may deny, suspend, or revoke the license of a licensee or the registration of a registrant if the licensee, ~~or~~ the registrant, **or an ultimate equitable owner of a licensee:**

- (1) fails to maintain the bond required under section 5 of this chapter;
- (2) has, within the most recent ten (10) years:
  - (A) been the subject of an adjudication or a determination by:
    - (i) a court with jurisdiction; or
    - (ii) an agency or administrator that regulates securities, commodities, banking, financial services, insurance, real estate, or the real estate appraisal industry;
  - in Indiana or in any other jurisdiction; and
  - (B) been found, after notice and opportunity for hearing, to have violated the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal laws of Indiana or any other jurisdiction;
- (3) has:
  - (A) been denied the right to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry; or
  - (B) had the person's authority to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry revoked or suspended;
- by Indiana or by any other state, federal, or foreign governmental agency or self regulatory organization;
- ~~(2)~~ (4) is insolvent;
- ~~(3)~~ (5) has violated any provision of this chapter;
- ~~(4)~~ (6) has knowingly filed with the commissioner any document or statement ~~containing any that:~~
  - (A) ~~contains~~ a false representation of a material fact; ~~or~~ ~~omitting~~
  - (B) ~~fails~~ to state a material fact; or if
  - (C) ~~contains~~ a representation **that** becomes false after the filing but during the term of a license or certificate of registration as provided in subsection ~~(g); or (i);~~
- ~~(5)~~ (7) has:
  - (A) been convicted, within ten (10) years before the date of the application, renewal, or review, of any crime involving fraud or deceit; or
  - (B) had a felony conviction (as defined in IC 35-50-2-1(b)) within five (5) years before the date of the application, renewal, or review;
- (8) if the person is a licensee or principal manager, has failed to reasonably supervise the person's originators or employees to ensure their compliance with this chapter;
- (9) is on the most recent tax warrant list supplied to the commissioner by the department of state revenue; or
- (10) has engaged in dishonest or unethical practices in the loan broker business, as determined by the commissioner.
- (d) The commissioner may do either of the following:
  - (1) Censure:
    - (A) a licensee;
    - (B) an officer, a director, or an ultimate equitable owner of a licensee;
    - (C) a registrant; or

- (D) any other person;  
 who violates or causes a violation of this chapter.  
 (2) Permanently bar any person described in subdivision  
 (1) from being:

- (A) licensed or registered under this chapter; or  
 (B) employed by or affiliated with a person licensed or  
 registered under this chapter;

if the person violates or causes a violation of this chapter.

(d) (e) The commissioner may not enter a final order:

- (1) denying, suspending, or revoking the license of a licensee  
 or the registration of a registrant; or  
 (2) imposing other sanctions;

without prior notice to all interested parties, opportunity for a hearing, and written findings of fact and conclusions of law. However, the commissioner may by summary order deny, suspend, or revoke a license or certificate of registration pending final determination of any proceeding under this section. Upon the entry of a summary order, the commissioner shall promptly notify all interested parties that ~~it~~ **the summary order** has been entered, of the reasons for the summary order, and that upon receipt by the commissioner of a written request from a party, the matter will be set for hearing to commence within fifteen (15) business days after receipt of the request. If no hearing is requested and none is ordered by the commissioner, the order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of the hearing has been given to all interested persons and the hearing has been held, may modify or vacate the order or extend it until final determination.

(e) (f) IC 4-21.5 does not apply to a proceeding under this section.

(f) (g) If ~~(1)~~ a licensee desires to have a previously unregistered employee begin engaging in origination activities; or ~~(2)~~ an individual who was previously registered under this chapter is employed by a registrant seeks to transfer the registrant's registration to another licensee who desires to have the registrant engage in origination activities or serve as a principal manager, whichever applies, the employer licensee registrant shall, within five ~~(5)~~ business days after the employee first before the registrant conducts origination activities or serves as a principal manager for the new employer, submit to the commissioner, on a form prescribed by the commissioner, ~~notice of the registrant's employment. If the employee has not previously been registered, the licensee shall submit evidence that the employee has completed the education requirements of section 21 of this chapter: a registration application, as required by section 5 of this chapter.~~

(h) If the employment of a registrant is terminated, whether:

- (1) voluntarily by the registrant; or  
 (2) by the licensee employing the registrant;

the licensee that employed the registrant shall, not later than five (5) days after the termination, notify the commissioner of the termination and the reasons for the termination.

(g) (i) If a material fact or statement included in an application under this chapter changes after the application has been submitted, the applicant shall provide written notice to the commissioner of the change. The commissioner may revoke or refuse to renew the license or registration of any person who:

- (1) is required to submit a written notice under this subsection and fails to provide the required notice within two (2)

business days after the person discovers or should have discovered the change; or

(2) would not qualify for licensure or registration under this chapter as a result of ~~the~~ **a** change in a material fact or statement.

SECTION 9. IC 23-2-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) **Except as provided in subsection (b), a person who knowingly violates this chapter commits a Class D felony.**

(b) **A person commits a Class C felony if the person knowingly makes or causes to be made:**

- (1) in any document filed with or sent to the commissioner or the securities division; or  
 (2) in any proceeding, investigation, or examination under this chapter;

**any statement that is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.**

SECTION 10. IC 23-2-5-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18.5. **Whenever a person licensed or registered under this chapter, or a person required to be licensed or registered under this chapter, has possession of funds belonging to others, including money received by or on behalf of a prospective borrower, the person licensed or registered under this chapter, or required to be licensed or registered under this chapter, shall:**

- (1) upon request of the prospective borrower, account for any funds handled for the prospective borrower;  
 (2) follow any reasonable and lawful instructions from the prospective borrower concerning the prospective borrower's funds; and  
 (3) return any unspent funds of the prospective borrower to the prospective borrower in a timely manner.

SECTION 11. IC 23-2-5-19, AS AMENDED BY P.L.181-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) The following persons are exempt from the requirements of sections 4, 5, 6, 9, 17, 18, and 21 of this chapter:

- (1) Any attorney while engaging in the practice of law.  
 (2) Any certified public accountant, public accountant, or accountant practitioner holding a certificate or registered under IC 25-2.1 while performing the practice of accountancy (as defined by IC 25-2.1-1-10).  
 (3) Any person licensed as a real estate broker or salesperson under IC 25-34.1 to the extent that the person is rendering loan related services in the ordinary course of a transaction in which a license as a real estate broker or salesperson is required.  
 (4) Any broker-dealer, agent, or investment advisor registered under IC 23-2-1.  
 (5) Any person that:  
 (A) procures;  
 (B) promises to procure; or  
 (C) assists in procuring;

a loan that is not subject to the Truth in Lending Act (15 U.S.C. 1601 through 1667e).

(6) Any community development corporation (as defined in

IC 4-4-28-2) acting as a subrecipient of funds from the Indiana housing and community development authority established by IC 5-20-1-3.

(7) The Indiana housing and community development authority.

(8) **Subject to subsection (e), and except as provided in subsection (f), any person authorized to:**

(A) sell and service a loan for the Federal National Mortgage Association or the Federal Home Loan Mortgage Association;

(B) issue securities backed by the Government National Mortgage Association;

(C) make loans insured by the United States Department of Housing and Urban Development or the United States Department of Agriculture Rural Housing Service; **or**

(D) act as a supervised lender or nonsupervised automatic lender of the United States Department of Veterans Affairs.

**or**

(E) act as a correspondent of loans insured by the United States Department of Housing and Urban Development, **if the person closes at least twenty-five (25) such insured loans in Indiana during each calendar year.**

(9) Any person who is a creditor, or proposed to be a creditor, for any loan.

(b) As used in this chapter, "bona fide third party fee" includes fees for the following:

(1) Credit reports, investigations, and appraisals performed by a person who holds a license or certificate as a real estate appraiser under IC 25-34.1-8.

(2) If the loan is to be secured by real property, title examinations, an abstract of title, title insurance, a property survey, and similar purposes.

(3) The services provided by a loan broker in procuring possible business for a lending institution if the fees are paid by the lending institution.

(c) As used in this section, "successful procurement of a loan" means that a binding commitment from a creditor to advance money has been received and accepted by the borrower.

(d) The burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification.

**(e) A person claiming an exemption under subsection (a)(8) shall, as a condition to receiving or maintaining the exemption, file a notice every twenty-four (24) months on a form acceptable to the commissioner. The notice required under this subsection must:**

**(1) provide the name and business address of each originator employed by the person to originate loans in Indiana;**

**(2) include all other information required by the commissioner; and**

**(3) be accompanied by a fee of two hundred dollars (\$200).**

**If any information included in a notice under this subsection changes after the notice has been submitted, the person shall provide written notice to the commissioner of the change. The commissioner's receipt of a notice under this subsection shall not be considered to be a determination or confirmation by the**

**commissioner of the validity of the a claimed exemption.**

**(f) An exemption described in subsection (a)(8) does not extend to:**

**(1) a subsidiary of the exempt person; or**

**(2) an unaffiliated third party.**

**An exemption that applies to a person under subsection (a)(8)(D) does not extend to a registered United States Department of Veterans Affairs agent.**

SECTION 12. IC 23-2-5-20.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 20.5. (a) A person licensed or required to be licensed as a loan broker under this chapter shall not employ a person to engage in origination activities unless the person is registered as an originator or a principal manager under this chapter. The registration of an originator or a principal manager is not effective during any period in which the originator or principal manager is not employed by a loan broker licensed under this chapter.**

**(b) A person licensed or required to be licensed as a loan broker under this chapter shall not operate any principal or branch office of a loan brokerage business without employing a registered principal manager at that location.**

SECTION 13. IC 23-2-5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21. (a) Except as provided under section 5(d) of this chapter, A person applying for a an initial license or certificate of registration must provide to the commissioner evidence that during the twenty-four (24) month period immediately preceding the application that the person completed at least twenty-four (24) hours of academic instruction, acceptable to the commissioner, related to the loan brokerage business. A person renewing a license or certificate of registration must provide to the commissioner evidence that during the twenty-four (24) month period immediately preceding the application that the person completed at least twelve (12) hours of academic instruction; acceptable to the commissioner, related to the loan brokerage business. To maintain a license or registration under this chapter, a person must provide to the commissioner evidence that the person has completed at least six (6) hours of academic instruction that is:**

**(1) acceptable to the commissioner; and**

**(2) related to the loan brokerage business;**

**during each calendar year after the year in which the license or registration was initially issued.**

**(b) In determining the acceptability of academic instruction the commissioner shall give consideration to approval of a licensee's internal academic instruction programs completed by employees.**

**(c) In determining the acceptability of an education course, the commissioner may require a fee, in an amount prescribed by the commissioner by rule or order, for the commissioner's review of the course.**

SECTION 14. IC 23-2-5-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. Any document delivered or required to be delivered by a person licensed or required to be licensed to a borrower or prospective borrower must contain:**

**(1) the license number of the loan broker; and**

**(2) the registration number of each;**



(A) originator; or

(B) principal manager;

who had contact with the file.

SECTION 15. IC 25-11-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) Upon the filing with the secretary of state, by any interested person, of a verified written complaint which charges any licensee hereunder with a specific violation of any of the provisions of this chapter, the secretary of state shall cause an investigation of the complaint to be made. If the investigation shows probable cause for the revocation or suspension of the license, the secretary of state shall send a written notice to such licensee, stating in such notice the alleged grounds for the revocation or suspension and fixing a time and place for the hearing thereof. The hearing shall be held not less than five (5) days nor more than twenty (20) days from the time of the mailing of said the notice, **unless the parties consent otherwise.** The secretary of state may subpoena witnesses, books, and records and may administer oaths. The licensee may appear and defend against such charges in person or by counsel. If upon such hearing the secretary of state finds the charges to be true, the secretary of state shall either revoke or suspend the license of the licensee. Suspension shall be for a time certain and in no event for a longer period than one (1) year. No license shall be issued to any person whose license has been revoked for a period of two (2) years from the date of revocation. Reapplication for a license, after revocation as provided, shall be made in the same manner as provided in this chapter for an original application for a license.

(b) Whenever it appears to the secretary of state that a person has engaged in or is about to engage in an act or practice constituting a violation of this chapter or a rule or order under this chapter, the secretary of state may investigate and may issue, with or without a prior hearing, orders and notices as the secretary of state determines to be in the public interest, including cease and desist orders, orders to show cause, and notices. After notice and hearing, the secretary of state may enter an order of rescission, restitution, or disgorgement, including interest at the rate of eight percent (8%) per year, directed to a person who has violated this chapter or a rule or order under this chapter. In addition to all other remedies, the secretary of state may bring an action in the name of and on behalf of the state against the person and any other person participating in or about to participate in a violation of this chapter, to enjoin the person from continuing or doing an act furthering a violation of this chapter and may obtain the appointment of a receiver or conservator. Upon a proper showing by the secretary of state, the court shall enter an order of the secretary of state directing rescission, restitution, or disgorgement to a person who has violated this chapter or a rule or order under this chapter.

(c) Upon the issuance of an order or a notice by the secretary of state under subsection (b), the secretary of state shall promptly notify the respondent of the following:

(1) That the order or notice has been issued.

(2) The reasons the order or notice has been issued.

(3) That upon the receipt of a written request the matter will be set for a hearing to commence not less than five (5) days and not more than twenty (20) days after the secretary of state receives the request, unless the parties

consent otherwise.

If the respondent does not request a hearing and the secretary of state does not order a hearing, the order or notice will remain in effect until it is modified or vacated by the secretary of state. If a hearing is requested or ordered, the secretary of state, after giving notice of the hearing, may modify or vacate the order or extend it until final determination.

(d) In a proceeding in a circuit or superior court under this section, the secretary of state is entitled to recover all costs and expenses of investigation to which the secretary of state would be entitled in an administrative proceeding under IC 23-2-1-16(d), and the court shall include the costs in its final judgment.

(e) For the purpose of any investigation or proceeding under this chapter, the secretary of state may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records that the secretary of state considers material to the inquiry.

(f) Upon order of the secretary of state in any hearing, a deposition may be taken of any witness. A deposition under this chapter shall be:

(1) conducted in the manner prescribed by law for depositions in civil actions; and

(2) made returnable to the secretary of state.

(g) If any person fails to obey a subpoena, the circuit or superior court, upon application by the secretary of state, may issue to the person an order requiring the person to appear before the secretary of state to produce documentary evidence, if so ordered, or to give evidence concerning the matter under investigation.

(h) A person is not excused from:

(1) attending any hearing or testifying before the secretary of state; or

(2) producing any document or record;

in obedience to a subpoena of the secretary of state, or in any proceeding instituted by the secretary of state, on the grounds that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture. However, a person may not be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing about which the person is compelled, after validly claiming the person's privilege against self-incrimination, to testify or produce evidence, documentary or otherwise.

SECTION 16. IC 25-11-1-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. The secretary of state may delegate any or all of the rights, duties, or obligations of the secretary of state under this chapter to:

(1) the securities commissioner appointed under IC 23-2-1-15(a); or

(2) any other designee under the supervision and control of the secretary of state.

SECTION 17. IC 23-11-1-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) If the secretary of state

determines, after notice and opportunity for a hearing, that a person has violated this chapter, the secretary of state may, in addition to or instead of all other remedies, impose a civil penalty upon the person in an amount not to exceed ten thousand dollars (\$10,000) for each violation. An appeal from the decision of the secretary of state imposing a civil penalty under this subsection may be taken by an aggrieved party under section 16 of this chapter.

(b) The secretary of state may bring an action in the circuit or superior court of Marion County to enforce payment of any penalty imposed under subsection (a).

(c) Penalties collected under this section shall be deposited in the securities division enforcement account established under IC 23-2-1-15(c).

SECTION 18. IC 25-11-1-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) An appeal may be taken from a final order of the secretary of state under this chapter as follows:

(1) By an applicant for a license under this chapter, from a final order of the secretary of state concerning the application.

(2) By a licensee, from a final order of the secretary of state affecting the licensee's license under this chapter.

(3) By any person against whom a civil penalty is imposed under section 15 of this chapter, from the final order of the secretary of state imposing the civil penalty.

(4) By any person who is named as a respondent in an investigation or a proceeding under section 9 of this chapter, from a final order of the secretary of state under section 9 of this chapter. An appeal under this subdivision may be taken in:

(A) the circuit or superior court of Marion County; or

(B) the circuit or superior court of the county in which the appellant resides or maintains a place of business.

(b) A person who seeks to appeal an order of the secretary of state under this section must serve the secretary of state with the following not later than twenty (20) days after the entry of the order:

(1) A written notice of the appeal stating:

(A) the court in which the appeal will be taken; and

(B) the grounds on which a reversal of the secretary of state's final order is sought.

(2) A written demand from the appellant for:

(A) a certified transcript of the record; and

(B) all papers on file in the secretary of state's office; concerning the order from which the appeal is being taken.

(3) A bond in the penal sum of five hundred dollars (\$500) payable to the state with sufficient surety to be approved by the secretary of state, conditioned upon:

(A) the faithful prosecution of the appeal to final judgment; and

(B) the payment of all costs that are adjudged against the appellant.

(c) Not later than ten (10) days after the secretary of state is served with the items described in subsection (b), the secretary of state shall make, certify, and deliver to the appellant the

transcript described in subsection (b)(2)(A). Not later than five (5) days after the appellant receives the transcript under this subsection, the appellant shall file the transcript and a copy of the notice of appeal with the clerk of the court. The notice of appeal serves as the appellant's complaint. The secretary of state may appear before the court, file any motion or pleading in the matter, and form the issue. The cause shall be entered on the court's calendar to be heard de novo and shall be given precedence over all matters pending in the court.

(d) The court shall receive and consider any pertinent oral or written evidence concerning the order of the secretary of state from which the appeal is taken. If the order of the secretary of state is reversed, the court shall in its mandate specifically direct the secretary of state as to the secretary of state's further action in the matter. The secretary of state is not barred from revoking or altering the order for any proper cause that accrues or is discovered after the order is entered. If the order is affirmed, the appellant may, after thirty (30) days from the date the order is affirmed, file a new application for a license under this chapter if the application is not otherwise barred or limited. During the pendency of the appeal, the order from which the appeal is taken is not suspended but remains in effect unless otherwise ordered by the court. An appeal may be taken from the judgment of the court on the same terms and conditions as an appeal is taken in civil actions.

(e) IC 4-21.5 does not apply to a proceeding under this chapter.

SECTION 19. IC 35-41-1-17, AS AMENDED BY P.L.1-2006, SECTION 530, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) "Law enforcement officer" means:

(1) a police officer, sheriff, constable, marshal, prosecuting attorney, special prosecuting attorney, special deputy prosecuting attorney, **the securities commissioner**, or the inspector general;

(2) a deputy of any of those persons;

(3) an investigator for a prosecuting attorney or for the inspector general;

(4) a conservation officer; ~~or~~

(5) an enforcement officer of the alcohol and tobacco commission; ~~or~~

**(6) an enforcement officer of the securities division of the office of the secretary of state.**

(b) "Federal enforcement officer" means any of the following:

(1) A Federal Bureau of Investigation special agent.

(2) A United States Marshals Service marshal or deputy.

(3) A United States Secret Service special agent.

(4) A United States Fish and Wildlife Service special agent.

(5) A United States Drug Enforcement Agency agent.

(6) A Bureau of Alcohol, Tobacco, Firearms and Explosives agent.

(7) A United States Forest Service law enforcement officer.

(8) A United States Department of Defense police officer or criminal investigator.

(9) A United States Customs Service agent.

(10) A United States Postal Service investigator.

(11) A National Park Service law enforcement commissioned ranger.

(12) United States Department of Agriculture, Office of Inspector General special agent.

(13) A United States ~~Immigration and Naturalization Service~~ **Citizenship and Immigration Services** special agent.

(14) An individual who is:

(A) an employee of a federal agency; and

(B) authorized to make arrests and carry a firearm in the performance of the individual's official duties.

**SECTION 20.** [EFFECTIVE JULY 1, 2007] **(a) The definitions in IC 23-2-5, as amended by this act, apply throughout this SECTION.**

**(b) IC 23-2-5, as amended by this act, applies to a person who applies for an initial:**

(1) license as a loan broker;

(2) registration as an originator;

(3) registration as a principal manager; or

(4) exemption under IC 23-2-5-19, as amended by this act; after June 30, 2007.

**(c) Except as otherwise provided in this SECTION, IC 23-2-5, as amended by this act, applies to a person who:**

(1) is licensed as a loan broker under IC 23-2-5, before its amendment by this act; or

(2) is registered as an originator under IC 23-2-5, before its amendment by this act;

after December 31, 2007.

**(d) A person who:**

(1) is licensed as a loan broker under IC 23-2-5, before its amendment by this act; or

(2) qualifies for an exemption under IC 23-2-5-19(a)(8)(E), before its amendment by this act, but does not qualify for an exemption under IC 23-2-5-19(a)(8)(E), after its amendment by this act;

must comply with IC 23-2-5-20.5(b) not later than July 1, 2008.

**(e) A person who:**

(1) qualifies for an exemption under IC 23-2-5-19(a)(8)(E), before its amendment by this act; but

(2) does not qualify for an exemption under IC 23-2-5-19(a)(8)(E), after its amendment by this act;

must comply with IC 23-2-5-4, as amended by this act, not later than January 1, 2008.

**(f) A person who:**

(1) qualifies for an exemption under IC 23-2-5-19(a)(8)(A) through IC 23-2-5-19(a)(8)(D), before July 1, 2007; or

(2) qualifies for an exemption under IC 23-2-5-19(a)(8)(E), both before and after its amendment by this act;

must comply with IC 23-2-5-19(e) not later than January 1, 2008.

**(g) This SECTION expires January 1, 2009.**

**SECTION 21. An emergency is declared for this act.**

(Reference is to HB 1717 as printed February 16, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

PAUL, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which

was referred Engrossed House Bill 1726, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning children.

Delete everything after the enacting clause and insert the following:

**SECTION 1.** [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "committee" refers to the interim study committee on missing children established by this SECTION.**

**(b) There is established the interim study committee on missing children. The committee shall study issues related to the location and recovery of missing children, including the use of DNA profiles, fingerprints, and technology to assist in the location and recovery of missing children.**

**(c) The committee shall operate under the policies governing study committees adopted by the legislative council.**

**(d) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.**

**(e) This SECTION expires December 31, 2007.**

(Reference is to HB 1726 as reprinted February 20, 2007.) and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

BRAY, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1778, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 5, triple block indent lines 19 through 42.

Page 6, line 1, beginning with "was" begin a new line triple block indented.

Page 6, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 8. IC 31-9-2-16.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.4. "Child caregiver", for purposes of section 31 of this chapter, means a person who provides, or is responsible for providing, care and supervision of a child (other than a child of whom the person is a parent, stepparent, grandparent, aunt, uncle, sibling, legal guardian or custodian with whom the person resides) at a residential property that is not the child's place of residence, if the person:

(1) is not required to be licensed as the operator of:

(A) a child care home under IC 12-17.2-5; or

(B) a foster family home under IC 31-27-4;

(2) provides care and supervision of a child while unattended by the child's:

(A) parent;

(B) guardian; or

(C) custodian with whom the child resides; and

(3) receives more than two thousand dollars (\$2,000) in annual compensation for providing care and supervision of a child or children."

Page 6, line 19, strike "or".

Page 6, line 21, after "an" insert **"owner, operator, director, manager, supervisor,"**.

Page 6, line 21, after "employee" insert ",".

Page 6, line 24, after "ministry" insert **", as defined in IC 12-7-2-28.8, that is"**.

Page 6, line 24, after "licensing" insert **"requirements"**.

Page 6, line 24, after "and" insert **"is"**.

Page 6, line 25, after "registered" insert **"or required to be registered"**.

Page 6, line 26, after "(C)" insert **"a home, center, or facility of"**.

Page 6, line 26, delete "that is eligible to receive" and insert **", as defined in IC 12-7-2-149.1(4);"**.

Page 6, delete lines 27 through 34, begin a new line double block indented and insert:

**"(D) a home, center, or facility that is the location of a program that provides child care, as defined in section 16.3 of this chapter, to serve migrant children and that is exempt from licensing under IC 12-17.2-2-8(6), whether or not the program is certified as described in IC 12-17.2-2-9; or"**.

Page 6, delete line 35.

Page 6, line 36, strike "IC 31-9-2-113.5." and insert **"section 113.5 of this chapter;**

**(3) a child caregiver, as defined in section 16.4 of this chapter; or**

**(4) an individual who has direct contact, on a regular and continuing basis, with a child for whom care and supervision is provided as described in this subsection."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1778 as reprinted February 20, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Resolution 16, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution do pass.

Committee Vote: Yeas 8, Nays 0.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Senate Resolution 18, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution do pass.

Committee Vote: Yeas 6, Nays 4.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Engrossed House Bill 1060, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass and be reassigned to the Senate Committee on Appropriations.

Committee Vote: Yeas 6, Nays 0.

KRUSE, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Engrossed House Bill 1278, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Engrossed House Bill 1301, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LUBBERS, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Engrossed House Bill 1557, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

PAUL, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Engrossed House Bill 1818, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BECKER

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Transportation and Veterans Affairs, to which was referred Engrossed House Bill 1018, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-20-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The maximum length limitations for buses are as follows:

- (1) For an articulating bus used for public transportation purposes, sixty-five (65) feet.
- (2) For a conventional school bus, ~~thirty-eight (38)~~ **forty-two (42)** feet.
- (3) For a transit school bus, forty-two (42) feet.
- (4) For all others, forty-five (45) feet."

Renumber all SECTIONS consecutively.

(Reference is to HB 1018 as printed January 26, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 2.

WYSS, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Engrossed House Bill 1058, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, line 36, delete "'volunteer fire" and insert **"political subdivision" does not include a township in a county having a consolidated city.**

**(b) As used in this section, "volunteer fire department" has the meaning set forth in IC 36-8-12-2."**

Page 4, delete line 37.

Page 4, line 38, delete "(b)" and insert "(c)".

(Reference is to HB 1058 as printed January 19, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Engrossed House Bill 1092, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 27.

Page 3, delete lines 36 through 42.

Page 4, delete lines 1 through 2.

Page 4, delete line 11.

Page 4, line 12, reset in roman "(A)".

Page 4, line 12, delete "(B)".

Page 4, line 13, reset in roman "(B)".

Page 4, line 13, delete "(C)".

Page 5, line 1, delete "'involuntary active" and insert **"active"**.

Page 5, line 2, delete "involuntary" and insert **"active duty"**.

Page 5, line 17, delete "two" and insert **"five"**.

Page 5, line 17, delete "fifty (1,250)" and insert **"(1,500)"**.

Page 5, line 21, delete "involuntary".

Page 5, line 26, delete "involuntary".

Page 5, line 28, delete "of" and insert **"in which the person ordered to active duty is on"**.

Page 5, line 28, delete "involuntary".

Page 5, line 30, delete "involuntary".

Page 5, line 33, after "(10)" insert **"working"**.

Page 5, between lines 33 and 34, begin a new paragraph and insert:

**"(d) An employer may require an employee taking a leave of absence under this chapter to use vacation leave, personal leave, or any other paid leave available to the employee."**

Page 5, delete lines 34 through 37.

Page 5, line 39, delete "notice" and insert **"written notice, including a copy of the active duty orders if available,"**.

Page 5, line 40, delete "attempt to".

Page 5, line 42, delete "leave. In any event, the employee" and insert **"leave, unless the active duty orders are issued less than thirty (30) days before the date the requested leave is to begin."**

Page 6, delete line 1.

Page 6, line 18, delete "(a)".

Page 6, delete lines 21 through 23.

Page 6, line 24, delete "(a)".

Page 6, delete lines 27 through 30.

Page 7, delete lines 25 through 27.

Renumber all SECTIONS consecutively.

(Reference is to HB 1092 as reprinted January 26, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

KRUSE, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Local Government and Elections, to which was referred Engrossed House Bill 1129, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-14-1.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. For the purposes of this chapter:

(a) "Public agency" means the following:

(1) Any board, commission, department, agency, authority, or other entity, by whatever name designated, exercising a portion of the executive, administrative, or legislative power of the state.

(2) Any county, township, school corporation, city, town, political subdivision, or other entity, by whatever name designated, exercising in a limited geographical area the executive, administrative, or legislative power of the state or a delegated local governmental power.

(3) Any entity which is subject to either:

(A) budget review by either the department of local government finance or the governing body of a county, city, town, township, or school corporation; or

(B) audit by the state board of accounts.

(4) Any building corporation of a political subdivision of the state of Indiana that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) The Indiana gaming commission established by IC 4-33, including any department, division, or office of the commission.

(7) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(b) "Governing body" means two (2) or more individuals who are:

(1) a public agency that:

(A) is a board, a commission, an authority, a council, a committee, a body, or other entity; and

(B) takes official action on public business;

(2) the board, commission, council, or other body of a public agency which takes official action upon public business; or

(3) any committee appointed directly by the governing body or its presiding officer to which authority to take official action upon public business has been delegated. An agent or agents appointed by the governing body to conduct collective bargaining on behalf of the governing body does not constitute a governing body for purposes of this chapter.

(c) "Meeting" means a gathering of a majority of the governing body of a public agency for the purpose of taking official action upon public business. It does not include:

(1) any social or chance gathering not intended to avoid this chapter;

(2) any on-site inspection of any: ~~project or program;~~

**(A) project;**

**(B) program; or**

**(C) facility of an applicant for an incentive or assistance from the governing body;**

(3) traveling to and attending meetings of organizations devoted to betterment of government; ~~or~~

(4) a caucus;

**(5) a gathering to discuss an industrial or a commercial prospect that does not include a conclusion as to recommendations, policy, decisions, or final action on the terms of a request or an offer of public financial resources;**

**(6) orientation of members of the governing body on their role and responsibilities as public officials, but not for any other official action; or**

**(7) a gathering for the sole purpose of administering an oath of office to an individual.**

(d) "Official action" means to:

(1) receive information;

(2) deliberate;

(3) make recommendations;

(4) establish policy;

(5) make decisions; or

(6) take final action.

(e) "Public business" means any function upon which the public agency is empowered or authorized to take official action.

(f) "Executive session" means a meeting from which the public is excluded, except the governing body may admit those persons necessary to carry out its purpose.

(g) "Final action" means a vote by the governing body on any motion, proposal, resolution, rule, regulation, ordinance, or order.

(h) "Caucus" means a gathering of members of a political party or coalition which is held for purposes of planning political strategy and holding discussions designed to prepare the members for taking official action.

(i) "Deliberate" means a discussion which may reasonably be expected to result in official action (defined under subsection (d)(3), (d)(4), (d)(5), or (d)(6)).

(j) "News media" means all newspapers qualified to receive legal advertisements under IC 5-3-1, all news services (as defined in IC 34-6-2-87), and all licensed commercial or public radio or television stations.

(k) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

SECTION 2. IC 5-14-1.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in section 6.1 of this chapter, all meetings of the governing bodies of public agencies must be open at all times for the purpose of permitting members of the public to observe and record them.

(b) A secret ballot vote may not be taken at a meeting.

(c) A meeting conducted in compliance with IC 5-1.5-2-2.5 does not violate this section.

**(d) A member of the governing body of a public agency who is not physically present at a meeting of the governing body but who communicates with members of the governing body during the meeting by telephone, computer, videoconferencing, or any other electronic means of communication:**

**(1) may not participate in final action taken at the meeting unless the member's participation is expressly authorized by statute; and**

**(2) may not be considered to be present at the meeting unless considering the member to be present at the meeting is expressly authorized by statute.**

SECTION 3. IC 5-14-1.5-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.1. (a) The governing body of a public agency violates this chapter if members of the governing body participate in a series of at least two (2) gatherings of members of the governing body and the series of gatherings meets all of the following criteria:

**(1) One (1) of the gatherings is attended by at least three (3) members but less than a quorum of the members of the governing body and the other gatherings include at least two (2) members of the governing body.**

**(2) The sum of the number of different members of the governing body attending any of the gatherings equals at least a quorum of the governing body.**

**(3) All the gatherings concern the same subject matter and are held within a period of not more than seven (7) days.**

**(4) The gatherings are held to take official action on public business.**

**For purposes of this subsection, a member of a governing body attends a gathering if the member is present at the gathering in person or if the member participates in the gathering by telephone or other electronic means, excluding electronic mail.**

**(b) A gathering under subsection (a) does not include:**

- (1) a social or chance gathering not intended by any member of the governing body to avoid the requirements of this chapter;**
- (2) an onsite inspection of any:**
  - (A) project;**
  - (B) program; or**
  - (C) facility of an applicant for an incentive or assistance from the governing body;**
- (3) traveling to and attending meetings of organizations devoted to the betterment of government;**
- (4) a caucus;**
- (5) a gathering to discuss an industrial or a commercial prospect that does not include a conclusion as to recommendations, policy, decisions, or final action on the terms of a request or an offer of public financial resources;**
- (6) orientation of members of the governing body on their role and responsibilities as public officials, but not for any other official action;**
- (7) a gathering for the sole purpose of administering an oath of office to an individual; or**
- (8) a meeting between less than a quorum of the members of the governing body intended solely for members to engage in informal discussion concerning whether a member or members may be inclined to support a member's proposal or a particular piece of legislation and at which no other official or final action will occur.**

**(c) A violation described in subsection (a) is subject to section 7 of this chapter.**

SECTION 4. IC 5-14-1.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) An action may be filed by any person in any court of competent jurisdiction to:

- (1) obtain a declaratory judgment;
- (2) enjoin continuing, threatened, or future violations of this chapter; or
- (3) declare void any policy, decision, or final action:
  - (A) taken at an executive session in violation of section 3(a) of this chapter;
  - (B) taken at any meeting of which notice is not given in accordance with section 5 of this chapter;
  - (C) that is based in whole or in part upon official action taken at any:
    - (i) executive session in violation of section 3(a) of this chapter; ~~or at any~~
    - (ii) meeting of which notice is not given in accordance with section 5 of this chapter; or
    - (iii) **series of gatherings that violates this chapter as described in section 3.1 of this chapter; or**
  - (D) taken at a meeting held in a location in violation of section 8 of this chapter.

The plaintiff need not allege or prove special damage different from that suffered by the public at large.

(b) Regardless of whether a formal complaint or an informal inquiry is pending before the public access counselor, any action to declare any policy, decision, or final action of a governing body void, or to enter an injunction which would invalidate any policy, decision, or final action of a governing body, based on violation of this chapter occurring before the action is commenced, shall be commenced:

- (1) prior to the delivery of any warrants, notes, bonds, or obligations if the relief sought would have the effect, if granted, of invalidating the notes, bonds, or obligations; or
- (2) with respect to any other subject matter, within thirty (30) days of either:

- (A) the date of the act or failure to act complained of; or
- (B) the date that the plaintiff knew or should have known that the act or failure to act complained of had occurred;

whichever is later. If the challenged policy, decision, or final action is recorded in the memoranda or minutes of a governing body, a plaintiff is considered to have known that the act or failure to act complained of had occurred not later than the date that the memoranda or minutes are first available for public inspection.

(c) If a court finds that a governing body of a public agency has violated this chapter, it may not find that the violation was cured by the governing body by only having taken final action at a meeting that complies with this chapter.

(d) In determining whether to declare any policy, decision, or final action void, a court shall consider the following factors among other relevant factors:

- (1) The extent to which the violation:
  - (A) affected the substance of the policy, decision, or final action;
  - (B) denied or impaired access to any meetings that the public had a right to observe and record; and
  - (C) prevented or impaired public knowledge or understanding of the public's business.
- (2) Whether voiding of the policy, decision, or final action is a necessary prerequisite to a substantial reconsideration of the subject matter.
- (3) Whether the public interest will be served by voiding the policy, decision, or final action by determining which of the following factors outweighs the other:

- (A) The remedial benefits gained by effectuating the public policy of the state declared in section 1 of this chapter.
- (B) The prejudice likely to accrue to the public if the policy, decision, or final action is voided, including the extent to which persons have relied upon the validity of the challenged action and the effect declaring the challenged action void would have on them.

- (4) Whether the defendant acted in compliance with an informal inquiry response or advisory opinion issued by the public access counselor concerning the violation.

(e) If a court declares a policy, decision, or final action of a governing body of a public agency void, the court may enjoin the governing body from subsequently acting upon the subject matter of the voided act until it has been given substantial reconsideration at a meeting or meetings that comply with this chapter.

(f) In any action filed under this section, a court shall award reasonable attorney's fees, court costs, and other reasonable

expenses of litigation to the prevailing party if:

- (1) the plaintiff prevails; or
- (2) the defendant prevails and the court finds that the action is frivolous and vexatious.

The plaintiff is not eligible for the awarding of attorney's fees, court costs, and other reasonable expenses if the plaintiff filed the action without first seeking and receiving an informal inquiry response or advisory opinion from the public access counselor, unless the plaintiff can show the filing of the action was necessary to prevent a violation of this chapter.

(g) A court shall expedite the hearing of an action filed under this section.

SECTION 5. IC 8-1-2.2-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 31. (a) This section applies to a meeting of the board of commissioners of a joint agency at which at least a quorum of the board is physically present at the place where the meeting is conducted.

(b) A member of the board of commissioners of a joint agency may participate in a meeting of the board of commissioners by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member of the board of commissioners of a joint agency who participates in a meeting under subsection (b) is considered to be present at the meeting.

(d) The memoranda of a meeting of the board of commissioners of a joint agency prepared under IC 5-14-1.5-4 must state the name of:

- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in subsection (b); and
- (3) each member who was absent.

SECTION 6. IC 21-22-3-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) This section applies to a meeting of the state board or a committee of the state board at which at least a quorum of the board or the committee is physically present at the place where the meeting is conducted.

(b) A member of the state board or a committee of the state board may participate in a meeting of the state board or a committee of the state board by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting.

(d) The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:

(1) each member who was physically present at the place where the meeting was conducted;

(2) each member who participated in the meeting by using a means of communication described in subsection (b); and

(3) each member who was absent.

SECTION 7. IC 21-25-3-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This section applies to a meeting of the board of trustees or a committee of the board of trustees at which at least a quorum of the board or the committee is physically present at the place where the meeting is conducted.

(b) A member of the board or a committee of the board may participate in a meeting of the board or the committee by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting.

(d) The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:

- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in subsection (b); and
- (3) each member who was absent.

SECTION 8. IC 21-27-2-2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This section applies to a meeting of the board of trustees or a committee of the board of trustees of any state educational institution (as defined in IC 21-7-13-32).

(b) A member of the board of trustees may participate in a meeting of the board at which at least a quorum is physically present at the place where the meeting is conducted by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member of a committee of the board of trustees may participate in a committee meeting by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(d) A member who participates in a meeting under subsection (b) or (c) is considered to be present at the meeting.

(e) The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:



- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in subsection (b) or (c); and
- (3) each member who was absent.

SECTION 9. IC 25-1-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

#### Chapter 14. Meetings

Sec. 1. This chapter applies to a meeting of a board, committee, or commission listed in IC 25-1-5-3 or IC 25-1-6-3.

Sec. 2. A member of a board, committee, or commission may participate in a meeting of the board, committee, or commission by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

Sec. 3. A member who participates in a meeting under section 2 of this chapter:

- (1) is considered to be present at the meeting;
- (2) shall be counted for purposes of establishing a quorum; and
- (3) may vote at the meeting.

Sec. 4. The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:

- (1) each member who was physically present at the place where the meeting was conducted;
- (2) each member who participated in the meeting by using a means of communication described in section 2 of this chapter; and
- (3) each member who was absent.

(Reference is to HB 1129 as reprinted January 24, 2007.)  
and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 1.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1269, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 8, line 19, delete "The failure to comply with subsection (a) or (b) does not" and insert: "**A person may not be stopped, inspected, or detained solely:**

- (1) based on a violation of subsection (a)(2); or
- (2) to determine compliance with subsection (a)(2)."

Page 8, delete lines 20 through 37.

(Reference is to HB 1269 as printed February 16, 2007.)  
and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

STEELE, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Engrossed House Bill 1288, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning education.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2007] (a) As used in this SECTION, "committee" refers to an interim study committee on truancy issues established by the legislative council under subsection (b).

(b) The legislative council is requested to create an interim study committee on truancy issues. The committee shall develop a common definition of truancy and study the extent of truancy in Indiana schools, solutions to issues raised by truancy, and the role of attendance officers.

(c) At the first meeting of the committee, the department of education shall present information obtained from existing sources concerning the extent of truancy in Indiana schools.

(d) The committee shall operate under the policies governing study committees adopted by the legislative council.

(e) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

(f) This SECTION expires November 1, 2007.

(Reference is to HB 1288 as printed February 20, 2007.)  
and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

LUBBERS, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Engrossed House Bill 1305, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, delete lines 21 through 24, begin a new line block indented and insert:

- "(1) not later than March 1 of each year for payments received in the preceding calendar year; or
- (2) not later than March 1 of each year for nonmonetary transfers in the preceding calendar year."

Page 5, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 4. IC 25-15-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. The board shall do the following:

- (1) Adopt rules under IC 4-22-2 to do the following:
  - (A) Establish standards for the sale and payment of funeral or burial services or merchandise in advance of need.
  - (B) Establish the terms of contracts authorized under IC 30-2-13.
  - (C) Implement IC 30-2-13.

**(D) Implement IC 23-14-48.5.**

(2) Register and issue certificates to sellers of merchandise or services under IC 30-2-13.

(3) Determine compliance with this article by persons engaged in the sale and payment of funeral or burial services or merchandise in advance of need under IC 30-2-13.

(4) Investigate any complaint alleging a violation of IC 30-2-13.

(5) Set fees under IC 25-1-8.

(6) For a violation of this article or IC 30-2-13 by a person engaged in the sale and payment of funeral or burial services or merchandise in advance of need under IC 30-2-13, if necessary, take any combination of the following actions:

(A) Issue an appropriate order to correct the violation.

(B) Suspend the seller's certificate of authority.

(C) Permanently revoke the seller's certificate of authority.

(D) Censure the seller.

(E) Issue a letter of reprimand to the seller.

(F) Place the seller on probation.

(G) Assess a civil penalty against the seller in an amount not to exceed one thousand dollars (\$1,000) for each violation, except for a finding of incompetency due to a physical or mental disability. When imposing a civil penalty, the board shall consider the seller's ability to pay the amount assessed. If the seller fails to pay the civil penalty within the time specified by the board, the board may suspend the seller's certificate of authority without additional proceedings. However, a suspension may not be imposed if the sole basis for the suspension is the seller's inability to pay a civil penalty.

(H) Refer the matter to the attorney general or prosecuting attorney for enforcement.

(7) In addition to any actions taken under subdivision (6), permanently revoke a seller's certificate of authority, if the seller demonstrates a pattern or practice of violating the following provisions:

(A) The requirement under IC 30-2-13-12 that all property paid or delivered to fund a contract for prepaid services or merchandise be irrevocably deposited to trust or escrow thirty (30) days after the contract is signed.

(B) The prohibition against knowingly inducing a purchaser to breach an existing contract under IC 30-2-13-13(e)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1305 as reprinted February 20, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BECKER, Acting Chair

Report adopted.

**COMMITTEE REPORT**

Madam President: The Senate Committee on Local Government and Elections, to which was referred Engrossed House Bill 1379, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new

paragraph and insert:

"SECTION 1. IC 36-2-7-10, AS AMENDED BY P.L.169-2006, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The county recorder shall tax and collect the fees prescribed by this section for recording, filing, copying, and other services the recorder renders, and shall pay them into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other recording fees required by law to be charged for services rendered by the county recorder.

(b) The county recorder shall charge the following:

(1) Six dollars (\$6) for the first page and two dollars (\$2) for each additional page of any document the recorder records if the pages are not larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(2) Fifteen dollars (\$15) for the first page and five dollars (\$5) for each additional page of any document the recorder records, if the pages are larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(3) For attesting to the release, partial release, or assignment of any mortgage, judgment, lien, or oil and gas lease contained on a multiple transaction document, the fee for each transaction after the first is the amount provided in subdivision (1) plus the amount provided in subdivision (4) and one dollar (\$1) for marginal mortgage assignments or marginal mortgage releases.

(4) One dollar (\$1) for each cross-reference of a recorded document.

(5) One dollar (\$1) per page not larger than eight and one-half (8 1/2) inches by fourteen (14) inches for furnishing copies of records and two dollars (\$2) per page that is larger than eight and one-half (8 1/2) inches by fourteen (14) inches.

(6) Five dollars (\$5) for acknowledging or certifying to a document.

(7) Five dollars (\$5) for each deed the recorder records, in addition to other fees for deeds, for the county surveyor's corner perpetuation fund for use as provided in IC 32-19-4-3 or IC 36-2-12-11(e).

(8) A fee in an amount authorized under IC 5-14-3-8 for transmitting a copy of a document by facsimile machine.

(9) A fee in an amount authorized by an ordinance adopted by the county legislative body for duplicating a computer tape, a computer disk, an optical disk, microfilm, or similar media. This fee may not cover making a handwritten copy or a photocopy or using xerography or a duplicating machine.

(10) A supplemental fee of three dollars (\$3) for recording a document that is paid at the time of recording. The fee under this subdivision is in addition to other fees provided by law for recording a document.

(11) Three dollars (\$3) for each mortgage on real estate recorded, in addition to other fees required by this section, distributed as follows:

(A) Fifty cents (\$0.50) is to be deposited in the recorder's record perpetuation fund.

(B) Two dollars and fifty cents (\$2.50) is to be distributed to the auditor of state on or before June 20 and December 20 of each year as provided in IC 24-9-9-3.

(c) The county recorder shall charge a two dollar (\$2) county identification security protection fee for recording or filing a document. This fee shall be deposited under IC 36-2-7.5-6.

(d) The county treasurer shall establish a recorder's records perpetuation fund. All revenue received under **section 10.1 of this chapter and** subsection (b)(5), (b)(8), (b)(9), and (b)(10), and fifty cents (\$0.50) from revenue received under subsection (b)(11), shall be deposited in this fund. The county recorder may use any money in this fund without appropriation for the preservation of records and the improvement of record keeping systems and equipment. **Money from the fund may not be deposited into the county general fund and does not revert to the county general fund at the end of a fiscal year."**

Page 2, line 20, strike "(1)".

Page 2, line 20, delete "Ten".

Page 2, line 20, strike "cents".

Page 2, line 20, delete "\$0.10)".

Page 2, line 20, strike "per page for a recorded".

Page 2, strike lines 21 through 22.

Page 2, line 23, strike "(2)".

Page 2, line 23, delete "Ten".

Page 2, line 23, strike "cents".

Page 2, line 23, delete "\$0.10)".

Page 2, line 23, strike "per recorded document for a".

Page 2, strike lines 24 through 25.

Page 2, between lines 25 and 26, begin a new line block indented and insert:

**"(1) For a recorded document, including the index of the instrument number or book and page, or both, for retrieving the recorded document:**

**(A) after June 30, 2007, and before July 1, 2009, seven cents (\$0.07) per page;**

**(B) after June 30, 2009, and before July 1, 2011, nine cents (\$0.09) per page; and**

**(C) after June 30, 2011, ten cents (\$0.10) per page.**

**(2) For a copy of the other indices used by the county recorder for finding, retrieving, and viewing a recorded document:**

**(A) after June 30, 2007, and before July 1, 2009, seven cents (\$0.07) per recorded document;**

**(B) after June 30, 2009, and before July 1, 2011, nine cents (\$0.09) per recorded document; and**

**(C) after June 30, 2011, ten cents (\$0.10) per recorded document."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1379 as printed February 7, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 1.

LAWSON, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Transportation and Veterans Affairs, to which was referred Engrossed House Bill 1425, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 3, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 6. IC 9-22-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "public agency" means ~~the bureau or a~~ local agency given the responsibility by statute or ordinance for the removal, storage, and disposal of abandoned vehicles.

SECTION 6. IC 9-22-1-4, AS AMENDED BY P.L.104-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (c), the person who owns an abandoned vehicle or parts is:

(1) responsible for the abandonment; and

(2) liable for all of the costs incidental to the removal, storage, and disposal;

of the vehicle or the parts under this chapter.

(b) The costs for storage of an abandoned vehicle may not exceed one thousand five hundred dollars (\$1,500).

(c) If an abandoned vehicle is sold by a person who removed, towed, or stored the vehicle, the person who previously owned the vehicle is not responsible for storage fees.

(d) If an abandoned vehicle is sold by a person who removed, towed, or stored the vehicle, and proceeds from the sale of the vehicle covered the **removal, towing, and** storage expenses, any remaining proceeds from the sale of the vehicle shall be returned to the previous owner of the vehicle if the previous owner is known.

SECTION 8. IC 9-22-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The bureau shall be notified within seventy-two (72) hours of the location and description of a vehicle described in section 5 of this chapter. ~~Upon receipt of notification, the bureau shall cause a search to be made to determine and notify the person who owns the vehicle under section 20 of this chapter:~~

SECTION 9. IC 9-22-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. If:

**(1) the person who owns or holds a lien under section 8 of this chapter does not appear and pay all costs; or**

**(2) the person who owns a vehicle cannot be determined by a search conducted under section 20 19 of this chapter;**

~~the bureau shall declare the vehicle is considered abandoned and provide for disposal must be disposed of~~ under this chapter."

Page 3, line 29, strike "bureau" and insert "**appropriate public agency**".

Page 3, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 9. IC 9-22-1-13, AS AMENDED BY P.L.104-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) If in the opinion of the officer the market value of an abandoned vehicle or parts determined in accordance with section 12 of this chapter is less than:

(1) five hundred dollars (\$500); or

(2) in a municipality that has adopted an ordinance under subsection (b), the amount established by the ordinance;

the officer shall immediately dispose of the vehicle to a ~~towing service~~ **storage yard**. A copy of the abandoned vehicle report and photographs relating to the abandoned vehicle shall be forwarded

to the bureau. ~~The~~ A towing service may dispose of ~~the~~ an abandoned vehicle not less than thirty (30) days after the date on which the towing service removed the abandoned vehicle. **A municipal corporation (as defined in IC 36-1-2-10) that operates a storage yard under IC 36-9-30-3 may dispose of an abandoned vehicle to an automobile scrapyard or an automotive salvage recycler upon removal of the abandoned vehicle.** The public agency disposing of the vehicle shall retain the original records and photographs for at least two (2) years.

(b) The legislative body of a municipality (as defined in IC 36-1-2-11) may adopt an ordinance that establishes the market value below which an officer may dispose of a vehicle or parts under subsection (a). However, the market value established by the ordinance may not be more than seven hundred fifty dollars (\$750)."

Page 4, line 13, after "section" insert **"5 or"**.

Page 4, line 14, strike "and bureau".

Page 4, line 18, delete "JULY 1, 2007]:" and insert "JANUARY 1, 2008]:".

Page 4, line 19, strike "an abandoned" and insert **"a"**.

Page 4, line 20, after "section" insert **"5,"**.

Page 4, line 22, strike "an abandoned vehicle" and insert **"a"**.

Page 4, line 29, delete "Contact the bureau or conduct" and insert **"Conduct"**.

Page 4, line 33, strike "(b) The public agency or towing".

Page 4, line 33, delete "service".

Page 4, line 33, strike "shall request that".

Page 4, line 34, strike "the bureau advise the public agency or towing".

Page 4, line 34, delete "service".

Page 4, line 34, strike "of the".

Page 4, strike lines 35 through 36.

Page 4, line 37, strike "(c)" and insert **"(b)"**.

Page 5, line 3, delete "(d)," and insert **"(c),"**.

Page 5, line 6, delete "(d)" and insert **"(c)"**.

Page 5, line 7, delete "the abandoned" and insert **"a"**.

Page 5, line 16, delete "(c)(2)," and insert **"(b)(2),"**.

Page 5, line 21, delete "(e)" and insert **"(d)"**.

Page 5, line 22, delete "(c) and (d)" and insert **"(b) and (c)"**.

Page 5, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 10. IC 9-22-1-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) This section applies to a ~~consolidated city~~, ~~second class city~~, ~~town~~, or county.

(b) Except as provided in subsection (c), if the person who owns or holds a lien upon a vehicle does not appear within twenty (20) days after the mailing of a notice under section ~~20~~ **19** of this chapter, the unit may sell the vehicle or parts by either of the following methods:

(1) The unit may sell the vehicle or parts to the highest bidder at a public sale. Notice of the sale shall be given under IC 5-3-1, except that only one (1) newspaper insertion one (1) week before the public sale is required.

(2) The unit may sell the vehicle or part as unclaimed property under IC 36-1-11. The twenty (20) day period for the property to remain unclaimed is sufficient for a sale under this subdivision.

(c) This subsection applies to a consolidated city or county containing a consolidated city. If the person who owns or holds a lien upon a vehicle does not appear within fifteen (15) days after the mailing of a notice under section 20 of this chapter, the unit may sell the vehicle or parts by either of the following methods:

(1) The unit may sell the vehicle or parts to the highest bidder at a public sale. Notice of the sale shall be given under IC 5-3-1, except that only one (1) newspaper insertion one (1) week before the public sale is required.

(2) The unit may sell the vehicle or part as unclaimed property under IC 36-1-11. The fifteen (15) day period for the property to remain unclaimed is sufficient for a sale under this subdivision.

SECTION 11. IC 9-22-1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 24. A person who purchases a vehicle under section ~~22~~ **or** 23 of this chapter shall be furnished a bill of sale for each abandoned vehicle sold by the ~~bureau~~ **or** public agency upon paying the fee for a bill of sale under IC 9-29-7. A person who purchases a vehicle under section ~~22~~ **or** 23 of this chapter must:

(1) present evidence from a law enforcement agency that the vehicle purchased is roadworthy, if applicable; and

(2) pay the appropriate title fee under IC 9-29-4; to obtain a certificate of title under IC 9-17 for the vehicle.

SECTION 12. IC 9-22-1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. The proceeds of sale of an abandoned vehicle or parts under section ~~22~~ **or** 23 of this chapter shall be credited against the costs of the removal, storage, and disposal of the vehicle.

SECTION 13. IC 9-22-1-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. (a) This section applies to sales of abandoned vehicles or parts by ~~local units~~: **a city, county, or town**.

(b) The proceeds from the sale of abandoned vehicles or parts, including:

(1) charges for bills of sale; and

(2) money received from persons who own or hold liens on vehicles for the cost of removal or storage of vehicles;

shall be deposited ~~with the county treasurer or city controller and placed by the treasurer or controller~~ in the unit's abandoned vehicle fund **by the unit's fiscal officer**.

(c) The costs incurred by a public agency in administering this chapter shall be paid from the abandoned vehicle fund.

(d) The fiscal body shall annually appropriate sufficient money to the fund to carry out this chapter. Money remaining in the fund at the end of a year remains in the fund and does not revert to the general fund.

(e) Notwithstanding subsection (d), the fiscal body of a consolidated city may transfer money from the fund.

SECTION 14. IC 9-22-5-15, AS AMENDED BY P.L.104-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) An individual, a firm, a limited liability company, or a corporation that performs labor, furnishes materials or storage, or does repair work on a motor vehicle, trailer, semitrailer, or recreational vehicle at the request of the person who owns the vehicle has a lien on the vehicle to the reasonable value of the charges for the labor, materials, storage, or

repairs.

(b) An individual, a firm, a partnership, a limited liability company, or a corporation that provides towing services for a motor vehicle, trailer, semitrailer, or recreational vehicle: ~~at the request of:~~

(1) ~~at the request of~~ the person who owns the motor vehicle, trailer, semitrailer, or recreational vehicle; ~~or~~

(2) ~~at the request of~~ an individual, a firm, a partnership, a limited liability company, or a corporation on whose property an abandoned motor vehicle, trailer, semitrailer, or recreational vehicle is located; ~~or~~

(3) ~~in accordance with IC 9-22-1;~~

has a lien on the vehicle for the reasonable value of the charges for the towing services and other related costs. An individual, a firm, a partnership, a limited liability company, or a corporation that obtains a lien for an abandoned vehicle under subdivision (2) must comply with IC 9-22-1-4, IC 9-22-1-16, IC 9-22-1-17, and IC 9-22-1-19.

(c) If:

(1) the charges made under subsection (a) or (b) are not paid; and

(2) the motor vehicle, trailer, semitrailer, or recreational vehicle is not claimed;

within thirty (30) days from the date on which the vehicle was left in or came into the possession of the individual, firm, limited liability company, or corporation for repairs, storage, towing, or the furnishing of materials, the individual, firm, limited liability company, or corporation may advertise the vehicle for sale. The vehicle may not be sold before fifteen (15) days after the date the advertisement required by subsection (d) has been placed or after notice required by subsection (e) has been sent, whichever is later.

(d) Before a vehicle may be sold under subsection (c), an advertisement must be placed in a newspaper of general circulation printed in the English language in the city or town in which the lienholder's place of business is located. The advertisement must contain at least the following information:

(1) A description of the vehicle, including make, type, and manufacturer's identification number.

(2) The amount of the unpaid charges.

(3) The time, place, and date of the sale.

(e) In addition to the advertisement required under subsection (d), the person who holds the mechanic's lien must:

(1) notify the person who owns the vehicle and any other person who holds a lien of record at the person's last known address by certified mail, return receipt requested; or

(2) if the vehicle is an abandoned motor vehicle, provide notice as required under subdivision (1) if the location of the owner of the motor vehicle or a lienholder of record is determined by the bureau in a search under IC 9-22-1-20;

that the vehicle will be sold at public auction on a specified date to satisfy the lien imposed by this section.

(f) A person who holds a lien of record on a vehicle subject to sale under this section may pay the storage, repair, towing, or service charges due. If the person who holds the lien of record elects to pay the charges due, the person is entitled to possession of the vehicle and becomes the holder of the mechanic's lien imposed by this section.

(g) If the person who owns a vehicle subject to sale under this

section does not claim the vehicle and satisfy the lien on the vehicle, the vehicle may be sold at public auction to the highest and best bidder for cash. A person who holds a mechanic's lien under this section may purchase a vehicle subject to sale under this section.

(h) A person who holds a mechanic's lien under this section may deduct and retain the amount of the lien and the cost of the advertisement required under subsection (d) from the purchase price received for a vehicle sold under this section. After deducting from the purchase price the amount of the lien and the cost of the advertisement, the person shall pay the surplus of the purchase price to the person who owns the vehicle if the person's address or whereabouts is known. If the address or whereabouts of the person who owns the vehicle is not known, the surplus of the purchase price shall be paid over to the clerk of the circuit court of the county in which the person who holds the mechanic's lien has a place of business for the use and benefit of the person who owns the vehicle.

(i) A person who holds a mechanic's lien under this section shall execute and deliver to the purchaser of a vehicle under this section a sales certificate in the form designated by the bureau, setting forth the following information:

(1) The facts of the sale.

(2) The vehicle identification number.

(3) The certificate of title if available.

(4) A certificate from the newspaper showing that the advertisement was made as required under subsection (d).

Whenever the bureau receives from the purchaser an application for certificate of title accompanied by these items, the bureau shall issue a certificate of title for the vehicle under IC 9-17."

Page 6, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 16. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 9-22-1-10; IC 9-22-1-20; IC 9-22-1-22; IC 9-22-1-28; IC 9-22-1-29."

Renumber all SECTIONS consecutively.

(Reference is to HB 1425 as printed January 26, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

WYSS, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Engrossed House Bill 1505, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 12, delete "." and insert "**that contain individual portfolio holdings.**".

Page 1, line 13, after "the" insert "**underlying**".

Page 2, line 35, after "fund," insert "**natural resource,**".

Page 2, line 38, after "structure" insert "**that is not publicly traded**".

Page 5, line 11, after "appropriate" insert "**for expenditure**".

Page 6, line 1, strike "written".

Page 6, line 2, delete "," and insert "**in a record,**".

Page 6, line 14, delete "," insert "**to the extent practicable,**".

Page 6, line 41, delete "or" and insert "**and**".

Page 8, line 7, delete ";" and insert **"as a whole and not in isolation;"**.

Page 8, between lines 26 and 27, begin a new line block indented and insert:

**"(7) Notwithstanding any other provision in this chapter, an institution may retain property contributed by a donor to an institutional fund as long as the governing board of the institution considers it advisable."**

(Reference is to HB 1505 as reprinted February 20, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

PAUL, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Transportation and Veterans Affairs, to which was referred Engrossed House Bill 1546, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, between lines 10 and 11, begin a new line block indented and insert:

**"(5) If the veteran who is the subject of the discharge record is deceased, the spouse or next of kin of the deceased, if the spouse or next of kin provides photographic identification and a copy of the veteran's death certificate."**

Page 2, line 11, delete "(5)" and insert **"(6)"**.

Page 2, line 19, after "estate of the" insert **"deceased."**

Page 2, deletes lines 20 through 21.

Page 2, between lines 21 and 22, begin a new paragraph and insert:

**"(c) To the extent technologically feasible, a county recorder shall take precautions to prevent the disclosure of a discharge record filed with the county recorder before May 15, 2007. After May 14, 2007, a county recorder shall ensure that a discharge record filed with the county recorder is maintained in a separate, confidential, and secure file."**

Page 2, line 22, delete "(c)" and insert **"(d)"**.

(Reference is to HB 1546 as printed January 26, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

WYSS, Chair

Report adopted.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1654, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, line 8, after "(d)" insert **"The division may accept any gifts or donations to the secured storage fund."**

**"(e)"**.

Page 7, line 18, after "team" insert **"in that county, or the county shall join with one (1) or more other counties to create a regional team,"**.

Page 7, line 23, after "county" insert **"or regional"**.

Page 9, delete lines 8 through 11.

Page 9, line 39, delete "One" and insert **"At least one"**.

Page 10, line 4, after "and" insert **"may be"**.

Page 10, between lines 26 and 27, begin a new paragraph and insert:

**"(g) The failure to comply with:**

**(1) this chapter;**

**(2) a plan adopted by a county; or**

**(3) a protocol adopted by a sexual assault response team; does not, standing alone, affect the admissibility of a sample as evidence in a criminal or civil proceeding."**

Page 10, line 39, after "polygraph" insert **"or other truth telling device"**.

Page 10, line 42, after "polygraph" insert **"or other truth telling device"**.

Page 11, line 4, after "polygraph" insert **"or other truth telling device"**.

Renumber all SECTIONS consecutively.

(Reference is to HB 1654 as reprinted February 20, 2007.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

### ENGROSSED HOUSE BILLS ON SECOND READING

#### Engrossed House Bill 1051

Senator Wyss called up Engrossed House Bill 1051 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

#### Engrossed House Bill 1306

Senator M. Young called up Engrossed House Bill 1306 for second reading. The bill was read a second time by title.

#### SENATE MOTION

(Amendment 1306-1)

Madam President: I move that Engrossed House Bill 1306 be amended to read as follows:

Page 2, delete lines 31 through 32.

Page 2, line 33, delete "(5)" and insert **"(3)"**.

Page 2, line 35, after "missing," insert **"However, the law enforcement agency shall advise the person reporting the missing person to make the report to a law enforcement agency that has jurisdiction in the place that the missing person was last seen, or, if that place is unknown, to a law enforcement agency that has jurisdiction in the place where the missing person resides."**

Page 2, line 36, delete "(6)" and insert **"(4)"**.

Page 2, line 38, delete "(7)" and insert **"(5)"**.

Page 2, line 41, delete "(8)" and insert **"(6)"**.

Page 2, line 42, delete "or other".

Page 4, line 12, delete "If, after" and insert **"If"**.

Page 4, line 14, delete "person," and insert **"person and"**.

Page 4, line 16, delete "determine" and insert **"make a new determination as to"**.

Page 5, line 15, after "records" insert "**or skeletal x-rays**".

Page 5, between lines 15 and 16, begin a new paragraph and insert:

**"(b) A health care provider (as defined in IC 16-18-2-163) that discloses information in good faith under subsection (a) is immune from civil liability for disclosing the information. This subsection does not apply to acts or admissions amounting to gross negligence or willful or wanton misconduct."**

Page 5, line 16, delete "(b)" and insert "(c)".

Page 5, line 19, delete "(c) This" and insert "**(d) Notwithstanding subsection (a), this**".

Page 5, line 25, delete "entered" and insert "**reported**".

Page 6, between lines 38 and 39, begin a new paragraph and insert:

**"SECTION 4. IC 34-30-2-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11.5. IC 5-2-17-8 (Concerning health care providers for disclosure of dental records or skeletal x-rays to a law enforcement agency)."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1306 as printed March 16, 2007.)

M. YOUNG

Motion prevailed. The bill was ordered engrossed.

#### **Engrossed House Bill 1424**

Senator Ford called up Engrossed House Bill 1424 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

#### **Engrossed House Bill 1457**

Senator Lawson called up Engrossed House Bill 1457 for second reading. The bill was read a second time by title.

#### **SENATE MOTION (Amendment 1457-1)**

Madam President: I move that Engrossed House Bill 1457 be amended to read as follows:

Page 3, line 7, after "Registration" insert "**of a health care entity**".

Page 3, line 8, delete "entity" and insert "**professional**".

(Reference is to EHB 1457 as printed March 16, 2007.)

MILLER

Motion prevailed. The bill was ordered engrossed.

#### **Engrossed House Bill 1762**

Senator Jackman called up Engrossed House Bill 1762 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

#### **Engrossed House Bill 1358**

Senator Nugent called up Engrossed House Bill 1358 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

## **ENGROSSED HOUSE BILLS ON THIRD READING**

#### **Engrossed House Bill 1237**

Senator Wyss called up Engrossed House Bill 1237 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 293: yeas 28, nays 17. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

#### **Engrossed House Bill 1287**

Senator Bray called up Engrossed House Bill 1287 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 294: yeas 45, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

#### **MESSAGE FROM THE HOUSE**

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bills 38 and 43 with amendments and the same are herewith returned to the Senate.

**CLINTON MCKAY**  
Principal Clerk of the House

#### **MESSAGE FROM THE HOUSE**

Madam President: I am directed by the House to inform the Senate that the House has passed Senate Concurrent Resolution 67 and the same is herewith returned to the Senate.

**CLINTON MCKAY**  
Principal Clerk of the House

#### **MESSAGE FROM THE HOUSE**

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bills 408 and 416 with amendments and the same are herewith returned to the Senate.

**CLINTON MCKAY**  
Principal Clerk of the House

#### **SENATE MOTION**

Madam President: I move that Senator Hume be added as

**March 22, 2007**

**Senate 633**

cosponsor of Engrossed House Bill 1722.

HERSHMAN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Lanane be added as cosponsor of Engrossed House Bill 1778.

LUBBERS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Landske be added as cosponsor of Engrossed House Bill 1595.

HEINOLD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Zakas be added as cosponsor of Engrossed House Bill 1287.

BRAY

Motion prevailed.

SENATE MOTION

Madam President: I move we adjourn until 1:30 p.m., Monday, March 26, 2007.

LAWSON

Motion prevailed.

The Senate adjourned at 3:09 p.m.

MARY C. MENDEL  
Secretary of the Senate

REBECCA S. SKILLMAN  
President of the Senate